

Hijacked jet flown to Aden after Bonn refuses to surrender

After a rough landing at Aden port last night, the hijacked Lufthansa airliner was ringed by troops and ordered by the South Yemeni authorities to refuel and leave. It had taken off hurriedly from Dubai with all 82 passengers and five crew unharmd despite the hijackers' threat to kill them if West Germany and Turkey did not free 13 prisoners before yesterday morning. The Bonn Cabinet continued its long vigil, apparently determined not to give in.

Deadline passes without killings

By Robert Fisk
Oct. 16
The 82 passengers and five crew of Lufthansa flight LH181 were flown to Aden this afternoon under the guns of their hijackers. The hijackers, who are believed to be members of the South Yemeni Revolutionary Council, refused to surrender to the Bonn Government. The hijackers' demands met by West German Government Bonn.

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Revolt against stewards could save Leyland aid package

By R. W. Shakespeare
A shopfloor revolt against the protectionist stand being made by the most powerful group of shop stewards at Leyland Cars could save the company's eleventh-hour attempt to meet the Government's ultimatum on conditions for further state aid.

The outcome of tomorrow's crucial meeting of the shop stewards, which, according to Mr Pat Lowry, Leyland's personnel director, "could well dictate the future size and shape of the British automotive industry" is almost a foregone conclusion.

Of the 250 senior stewards present, a majority will vote in favour of Leyland's package of wage bargaining and labour relations reforms. But the Transport and General Workers' Union (TGWU) support, Leyland will have to go to the Government and the National Enterprise Board and confess that it is unable to meet the conditions that have been laid down for further state financial aid.

Thus in turn seems to suggest that the Department of Industry must inevitably decide to drop off its so-called "contingency plan"—the existence of which has long been an open secret—for splitting British Leyland up into a series of smaller units, hiving off the more profitable sectors, and streamlining the car manufacturing operations by some deep surgery that could include the closure of one or more of the volume car centres.

This, according to conventional wisdom, seems to be the set scenario for the next few days, but the reality could turn out to be very different.

The T & GWU stewards will undoubtedly reject the central wage bargaining plan, but in doing so, they could be putting their own heads on the block at a time when there is mounting evidence that a growing body of the shop floor rank and file is ready to wield the axe.

Within the ranks of the T & GWU, the "sacred cow" of plant bargaining is the cornerstone of the faith of both Mr Jack Jones and Mr Harry Irwin, his assistant general secretary, both of whom are clearly prepared to defend it with quite astonishing fervour up to the last moment.

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Hijacker killed: Japanese police and a hijacker surrounded a hijacked bus in Nagasaki yesterday, killing one of the two gunmen and freeing 16 hostages.

A squad of police scrambled on board the bus with guns blazing. Screams were heard as the hostages were dragged through the broken windows.

The hijackers had said that if their demands were not met, 37 explosions would take place simultaneously throughout Japan. By the time of the police assault they had released seven of their hostages and made no specific demands other than for food and soft drinks.

Reuter.

Pay restraint policy faces crucial week

By Donald Macintyre
Labour Reporter
The Government faces a testing week for its hopes of containing this year's pay round to a 10 per cent increase in earnings.

Ford workers, lorry drivers and policemen are in the vanguard of groups that have either received or are seeking offers above the government guidelines.

Ministers hope that the meetings of workers at Ford's 23 factories this week will vote to accept the company's proposal for increases averaging 12 per cent, which management says is its last offer.

The alternative would be a recommendation by union negotiators for a strike in all Ford factories in support of demands for an increase still further outside the target.

Officials at the Department of Transport are still considering whether sanctions can be used against haulage companies that have awarded a 15 per cent increase to 10,000 West Midlands drivers. The negotiations are seen as setting the pace for the continuing talks on claims for between 30 and 50 per cent in Coventry and Scottish drivers.

Police Federation negotiators will press Home Office officials tomorrow to begin detailed talks on their target of pay increases of more than 75 per cent.

Mr James Jardine, chairman of the federation said yesterday: "My membership will not put matters off much longer. I do not know what action they do not get some sort of satisfaction."

Mr Jardine and his colleagues were angry when they heard that the Home Office did not intend to make a formal pay offer at tomorrow's meeting.

Leaders of the Kent miners will today start preparations for a legal action designed to stop their union's executive from holding a ballot on a pay and productivity deal.

The deal is the Government's best hope of averting a confrontation over the miners' demand for rises on basic rates of up to 90 per cent.

Mr Lawrence Daly, general secretary of the National Union of Mineworkers, called for a big "yes" vote in the ballot. He said that if the productivity scheme, which would give face workers an extra £23.50 a week if they met agreed targets, was accepted, "we can get through this winter without the confrontation with the Labour Government that Margaret Thatcher is hoping for."

NF man resigns from prison chaplain post

By Peter Strafford
The Rev Terence Spoug, the Anglican clergyman who started on Saturday that he was a member of the National Front and resigned a few hours later from his position as assistant chaplain at Brixton prison, is to see Canon Leslie Lloyd Rees, the Chaplain-General of Prisons, today.

Home Office officials said the main object of the meeting would be to discuss the details of Mr Spoug's resignation. It would be unusual if Mr Spoug's political views, and the way he expressed them on Saturday, were not touched on.

Mr Spoug, who is 45, appeared at the National Front's annual meeting at the Royal Garden Hotel, in Kensington. He made a forthright statement of his views, saying that "the National Front is a white and British."

"I am appalled by what has happened to the country of my birth. Anywhere else those who are not white and British would be deported. We would be deported if we were of no use to another country."

He added: "There is no clash between my Christian views and those of the National Front. I would not belong to the NF if there were."

Until last May Mr Spoug lived in Rhodesia, where he had been a prison chaplain for six years. In August, he was appointed assistant chaplain at Brixton, where there is normally a higher proportion of West Indians than at most British prisons.

According to the Home Office, he went through the normal appointment procedure, which involves appearing before a selection board. On it are representatives of the prison department and someone from the chaplain-general's office.

In due course he would have been required to have a licence from the diocese of Southwark, which includes Brixton prison. But the Bishop of Southwark, Dr Mervyn Stockwood, said yesterday that such licences were given only after a probationary period, and the question had not yet arisen.

Dr Stockwood said Mr Spoug had been employed by the Home Office, and it had been up to them to decide whether he was a suitable person.

According to Canon Lloyd Rees, nothing was known about Mr Spoug's political views when his appointment was made.

"It is obviously not over-helpful for a pastor if he over-identifies with a political view," he said. "In any case, there are categories of staff in the Civil Service who are not allowed to speak on public political platforms—and that prohibition applies to prison chaplains."

In his resignation statement Mr Spoug said: "As a result of the publicity given to my affiliation to political parties, which prejudices my ministry to the prison chaplaincy, I tender my resignation from Saturday, October 15, in the interests of the church."

After Mr Spoug had left Saturday's meeting Mr John Tindall, the chairman of the National Front, criticised Dr Stockwood for his opposition to the party's policies. And he accused most of Britain's clergy of "joining the ranks of the race-traitors and professional dogooders."

Police strike warning by federation adviser

A strike by the police is a virtual certainty if they do not get a big pay rise before Christmas, Mr Eldon Griffiths, parliamentary adviser to the Police Federation, said yesterday.

Mr Griffiths, Conservative MP for Burnt End, told party workers in the constituency that the Government would have an opportunity to make such an offer when the Home Office responded to the federation's pay claim tomorrow.

But he added: "Sadly, my impression is that the Government will play for time, waiting for settlements in the car industry. There can be no more foolish or dangerous play. It could prove to be a case of finding while Rome burns to burn."

Mr Griffiths said that so many seasoned men were leaving police forces in the metropolitan counties that up to a quarter of their strength in constables was now composed of women in their early 20s.

He also criticized the withdrawal of CID men from port surveillance to fill in the gaps in London.

Mr Griffiths said that letters from policemen made clear that most younger constables were taking home less than £30 a week. "Thousands would qualify for supplementary benefit if they were not too proud to apply and hundreds of younger men would be better off on the dole."

"A police strike would be a catastrophe. But it is a national scandal that the Government stands idly by while the world's best police service starts coming apart at the seams."

Germans fear freeing terrorists would lead to new outrages

By Patricia Clough
Oct. 16
A man's voice shattered the silence last night at Stammheim, near Stuttgart, where Germany's most notorious terrorists are held, shouting a call to "open the windows." The message was: "We will soon be out."

It was the deadline set for the release of 11 jailed West German terrorists by their captors, holding 87 hijacked aircraft passengers in Dubai came when the call remained unheeded.

Don't West German authorities, exhausted after round clock meetings since Friday, issued to follow the situation this morning's deadline expired and the hijacked aircraft moved on with its hostages.

Word was received from kidnappers of Dr Hannu Schleyer, the West German industrialist, leader, who was kidnapped by the hijackers, that he had threatened to kill his hostage if the terrorists were not released by 9 am BST.

An official curtain of secrecy covered most of the deliberations, but it seemed that the government, in consultation with Opposition leaders, Land governments and security chiefs, had decided not to give in to the hijackers' and kidnappers' demands.

The decision, which could well cost 88 lives—those of the aircraft hostages and Dr Schleyer—apparently was made in the conviction that the terrorists could, and almost certainly would, soon return to Germany to kill and kidnap again. Terrorists released in 1975 to save the life of the kidnapped West Berlin Christian Democratic leader, Herr Peter Lorenz, are being sought by police in connexion with subsequent murders.

Herr Klaus Belling, the Government spokesman, said the situation was "extremely serious." He said the Government would consider all realistic possibilities of saving the lives of the hostages.

An eleventh hour attempt was made by Dr Schleyer's son,

Booth hint of extra power for Acas

The Government will consider giving extra powers to the Advisory, Conciliation and Arbitration Service if a large number of employers seek to follow the lead of Mr George Ward, the chief of Guinness, in refusing to recognize a union.

Kidnap case arrests

A man and a woman were arrested at Zofingen, Switzerland, in the hunt for the kidnappers of five-year-old Graziella Ortiz, the Italian heiress released last Thursday, the Italian newspaper L'Espresso said.

Tokyo aid for dollar

Japan is determined to hold the yen at 250 to the dollar "at any price" by active support buying of the dollar, Mr Fukuda, the prime minister, has also announced plans to increase imports to help hold down its value.

Petrol bombs thrown in Spanish riot

Seven Barcelona policemen were injured in clashes with demonstrators from the International Spanish Communist Party, who had been attending a rally in support of Catalan separatism. Petrol bombs were thrown during the riot, setting several cars on fire.

Crosby memorial

The body of Bing Crosby will be flown from Madrid to Los Angeles today. The singer will be buried tomorrow and Mrs Kathryn Crosby has asked that no flowers should be sent from Britain. A memorial Mass was held in Westminster Cathedral yesterday.

Party rebuff Mrs Gandhi

The failure of Mrs Indira Gandhi's attempt to secure the presidency of Congress Party, she has launched an attack on her party's leadership. In the course of a confrontation during the split in the party, she threatened to resign if her party colleagues, saying that she had not been given the support she needed.

Warning on unions

Callaghan said at Cambridge that was afraid any future Conservative Government might misunderstand what was going on in the unions and drift into a confrontation.

Queen sees Premiers

Queen was lunching in Ottawa with Premiers of Canada's 10 provinces, including Mr René Levesque of Quebec, as Parti Québécois is seeking separation from Canada.

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Ministers fire early shots in what may prove campaign for the next general election

By George Clark
Political Correspondent

By stepping up their campaign against the Conservatives at the weekend in the wake of the party conference, Mr Callaghan and other ministers gave the impression that they were making early preparations to alert party workers for the general election battle, expected next year.

Their main task on Saturday was to try to undermine the effects of the Conservative conference, at which Mrs Thatcher and other party spokesmen sought to win over former Labour voters with an array of policy declarations (without details) that had a popular appeal.

The Prime Minister said at Cambridge that he thought the Conservatives were wrong to try to make people believe there was a great desire for confrontation between a handful of trade union leaders and the Conservative Party.

"If we had a Conservative Government, which I fully intend to try to prevent, I would worry that they might misread the situation," he said. "I see no great signs that they understand what is happening in the trade unions."

Mrs Thatcher might drift into a confrontation through her failure to understand "what is driving people in the unions".

He said: "You can have a confrontation just as easily through insensitivity or an inability to comprehend the situation." He much doubted whether Mrs Thatcher's idea of holding a referendum to decide the issue in any confrontation between a Tory government and unions would work.

He aimed another blow at Mrs Thatcher when he spoke at the Labour Party's eastern regional conference at Cam-

bridge. Speaking about defence and foreign affairs, he said that his Government would continue to maintain Britain's defensive strength "at a proper level".

"But in conjunction with that, peace will be best secured not by the 'cold-war shrieks' that we get from some Conservatives but by the hard slog of negotiations and the constant search for agreement which will lessen the balance of terror but leave our side at least as secure as it is today."

Mr Orme, Minister for Social Security, said in Salford yesterday: "The party conferences have drawn the battle lines for the coming general election."

"The future of the welfare state will be at the centre of the argument. The choice will be between a Tory policy of 'Devil take the hindmost' and 'let the weakest look after themselves', and Labour's firm commitment to a universal service, based on increasing public expenditure."

Mr Foot, Leader of the Commons, speaking at Waltham Abbey on Saturday, said that without the many measures taken by the Government, the unemployment figures would be several hundred thousand worse than they were.

"These, however, are the very measures which the mad monetarists, headed by Sir Keith Joseph, would forbid altogether, if we were ever foolish enough to give them the chance."

Mr Williams, Secretary of State for Education and Science, speaking at Cambridge, said that Sir Geoffrey Howe,

at the Conservative conference had offered the country tax cuts across the board: for high-income earners, for investors, for companies, for capital, for those just in the tax bracket, indeed something for everyone.

"How will he pay for it?" she asked. "He will greatly increase indirect taxes, though he did not say much about that, which would dramatically push up the cost of living. He will encourage a big rise in rents. He will cut public expenditure savagely."

The Government had been forced to make painful spending cuts, and they were still working their miserable way through the public services. "Yet what the Tories propose would make that look like chickenfeed," she added.

Mr Joel Barnett, Chief Secretary to the Treasury, speaking at Rochdale to a "Youth against Unemployment" rally, said: "I hope we will not allow our sincerely held differences about how to solve the appalling problems of youth unemployment to obscure the hypocrisy of our Conservative opponents and the need for us to unite to prevent them introducing policies which, whatever they say to the contrary, must result in a substantial increase in unemployment."

Mr Healey, Chancellor of the Exchequer, again confirmed the Conservatives' fears that he is likely to steal some of their clothes before the year is out in the form of tax cuts. He said in Cardiff that the Government had got the financial basis of the economy right and there was now a chance to increase productivity and jobs.

I have been thinking for a few weeks about a further stimulus to the economy before Christmas," he said. He might perhaps give more tax relief.

Britain takes to a new sport and its jargon

By Alan Hamilton

Four of the world's leading exponents of the nose wheelie, the samosa squat, the moonwalk, the endover and the duff, the christie and the rail wheelie, have arrived in London from the United States to give a series of demonstrations of their art.

The Hobbie professional team is a corps de ballet of world skateboard champions. It will give its first exhibition today at Skate City, Southwark, south London, one of only three purpose-built skateboarding parks in Britain.

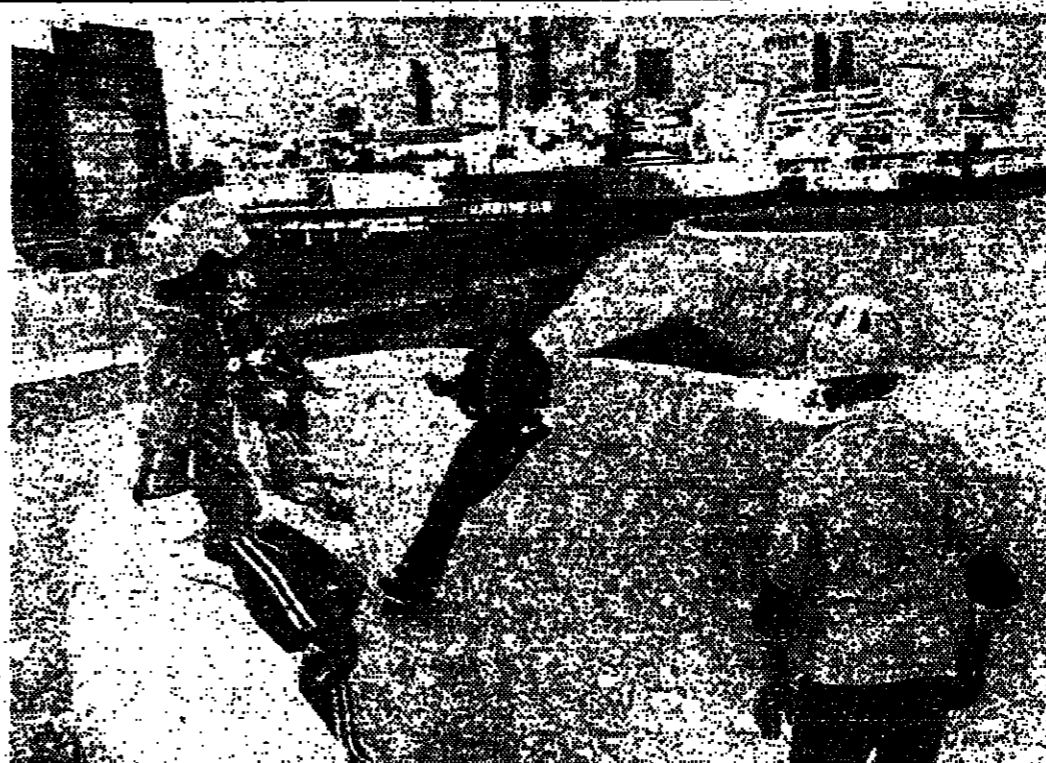
Thereafter the team will undertake a national tour, in the hope that sympathetic local authorities will allow it to use multi-storey car parks or concrete catwalks beneath some of the less attractive shopping precincts.

The skateboard, the natural heir to the roller skate, the yo-yo and the hula hoop, has taken such a hold of British urban youth that within the past month it has been recognized by the Sports Council, thus being elevated above a mere craze to the level of a serious sport. The council estimates that there are two million boards rolling on city pavements.

Shops are selling boards from £12 upwards, as fast as they can import them. The best come from California, the sport's spiritual home, but a domestic industry is in the making, and there are even the first signs of an export trade.

Last week a Sussex shop supplied a Middle East buyer with a board for £1,943.91: it had gold-plated ends and 64 small diamonds instead of ball bearings.

Skateboarding developed in the 1960s on the west coast of the United States, the home of many outlandish enthusiasms,



Young enthusiasts testing one of the concrete bowls at the new skateboarding park in Southwark, south London.

as a land alternative to surfing. But the explosion of interest did not come until the early 1970s, with the invention of the wheel made of urethane, a synthetic material with an unusually good grip on concrete.

Several local authorities, alarmed at the danger to pedestrians, are trying to ban the sport from pavements. In west London, Kensington has foiled the users of a particularly fine racetrack in Kensington Gardens by covering it with gravel.

In Nottingham, where the city centre has a fine array of concrete ramps and steps, the local hospital says it is treating a skateboarding fracture every day, and the city's road safety officer, Mr James Street, has appealed to parents not to buy their children boards for Christmas unless they know they will be used on a properly prepared rink, with the rider wearing the recommended safety equipment of crash helmet and elbow and knee pads.

Mr Barry Walsh, chairman of the new British Skateboard Association, which has the support of the Sports Council and the British Safety Council, thinks there has been some irresponsibility among manufacturers in the past year, selling boards as fast as they can without promoting the associated safety equipment.

One of Mr Walsh's first tasks will be to seek a British Standard for safety equipment. Then he wants to promote skateboarding clubs, with proper supervision and tuition, and by the end of next year he hopes to have established an official British national championship.

Both manufacturers and the association are agreed on the need for more facilities, to keep skateboarders off the streets. Local authorities are naturally reticent, being already short of money and also unsure how long the craze will last.

Estimates for the cost of building a skate park with a concrete bowl, the skateboarder's equivalent of a motor cyclist's wall of death, range from £30,000 to £50,000.

But many young skateboarders prefer the freedom of the open road, as is shown by the continuing popularity of the South Bank in London as a venue for an unofficial racecourse of great popularity is Greenwich Park, with its long, sloping smooth paths.

"It is a precarious, competitive activity, the most thrilling thing since surfing, and a tremendous antidote to the urban boredom of city children. And boredom causes more accidents than skateboarding," a skateboard supplier said.

It may therefore be some time before the sport wipes out, or, as pedestrians say in our jargon, falls off.

Police keep NF from anti-racist march

By a Staff Reporter

More than a thousand yesterday ensured that there were no clashes when an anti-racist march of about three thousand demonstrators passed through the Front's strongholds in the East of London.

Thirteen people are to be charged with various offences under the Public Order Act.

Potentially the most serious moment was when the marchers, mainly white, apparently left-wing, came to Bethnal Green Road to Lane, a National Front point. A group of several of the Front's supporters were blocked by marchers, who then moved on.

Elsewhere several anti-racist youths to the marchers were blocked by the police, who proved highly successful.

The march started in a rally in Shoreditch Park and it is to protest against violence in the East End. Patrick Kodikara, chairman of the National Front, said: "I am a National Front supporter out of their pubs and bars. Asians, and black family being harassed."

Mr Kodikara, middle-aged, dark-skinned, and wearing a dark jacket, said, was non-sectarian at party political. But, after the march, he said: "I am a National Front supporter out of their pubs and bars. Asians, and black family being harassed."

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The marchers were seen all Marxist, and it was said that the Unit Turkish Women in bearing a banner "Fascism will break shields of mothers".

The procession, headed by a band, passed through the East End, and began singing "We are the people".

A group of Communist supporters meanwhile, "Take up every race fascist attack. Hit back."

"Old nigger lovers" an older woman, who had been with the "National Front", counted the marchers, or less crisply, "the spirit of the anti-racist marchers".

There were perhaps 20 police at Brick Lane, who had not blocked off the street. They were seen to be "Go, and have a bit of a rest."

Once again there was a band, and a "National Front" march, which is in danger of being a National Front march, an old woman in a hat, some reason why that colour flag. Perhaps the offensive form of abuse the crowd was "Get it, Hampstead".

The marchers in a crowd, as did many bystanders, even though had been blocked off by the streets. The march ended about three miles and a summit of Victoria Hackney, where a public festival had been organised.

Scottish Labour Party in need of money and members if it is to develop

From Ronald Faux
Ayr

The Scottish Labour Party emerged from its second congress yesterday in Ayr clinging tenaciously to life but with formidable obstacles threatening its development as a relevant and broadly based political force.

It has neither the resources of the official Labour Party, which has shown little sign of losing Scottish support to its breakaway relative, nor the charisma of the Scottish National Party, which also projects self-government for Scotland.

Nor has the breakaway party any contact with or even tacit support from the executive level of the Scottish Trades Union Congress. It is officially cut off from the broad band of Labour support, for which competition is fierce.

Outside a strictly Scottish framework, the party has no resources with which to fight, for funds are running low and membership is well below target.

Mr James Sillars, party chairman and MP for South Ayrshire, made it clear yesterday that the party would aim for the Scottish rather than Westminster targets. There is little option. Whether Mr Sillars could hold South Ayrshire for the party must be in doubt.

The departure from politics of Mr John Robertson, MP for Paisley, who also left Labour to join the breakaway group, means that the party's Westminster representation could be annihilated at the next election.

Mr Sillars said that his choice would be for an Edinburgh assembly rather than a seat at Westminster. He added that his party would operate solely in a Scottish forum, which he believed was where the future of Scottish political life lay. Everything depended, however, on what happened to the Scottish assembly Bill.

Mr Robertson told delegates there was a small hope but no certainty that a Scottish assembly would be established during this Parliament.

"It is right to give Westminster one more chance to produce the goods, but the Scots should make it clear that this is a last chance. If by this time next year there is not a Scottish assembly established by law, Scots will have to grasp the nettle themselves," he said.

Party officials said 70 Scottish Labour candidates, about half the possible total, would stand for the Scottish assembly in the next general election, but he was making a strong effort in the regional elections in May.

It was certainly a more level and mature conference than the strife-torn event of last year, when the ultra-left were accused of attempting a takeover.

The hundred or more delegates in Ayr town had debated a broad range of Scottish issues, and a strong republican element in the party brought two issues to within a card vote of success.

One resolution supported the creation of a democratically elected head of state in an independent Scotland, and the second condemned the spending on the silver jubilee celebrations in a year of record Scottish unemployment as flaunting privilege in the face of ordinary people.

The party executive had asked the conference to oppose the resolutions, not out of deference to the monarchy but because there were weightier topics to debate.

Mr Prentice in hope of a Tory offer at Wycombe

By Our Political Correspondent

Mr Prentice, the former Labour Cabinet minister, who is looking for a Conservative constituency association willing to adopt him as its prospective parliamentary candidate for the next general election, hopes that his name will go forward for consideration at Wycombe.

Sir John Hall, the constituency's MP for almost 25 years, is not to seek reelection. The former minister, who announced his move from Labour to the Conservative Party only a week ago, will have to move quickly, and against strong competition. Even yesterday he could not claim to be a paid-up member of the party. His application to join Croydon, Central, Conservative association was in the post, and is expected to arrive in the office today.

Nevertheless, he has received a warm welcoming letter from Mr Peter Bonness, chairman of the association, to whom he wrote applying for membership. Mr Prentice's next move will be to get himself included on the Conservative Central Office's list of approved candidates. He should have no difficulty there, because Mrs Thatcher, Leader of the Opposition, has indicated that she would like to see him standing as a Conservative at the general election.

Mr Paul Ensor, chairman of the Wycombe Conservative Association, has said (not to Mr Prentice, who has not yet been in touch) that if the former minister applied he would receive consideration, but the chance of such a new recruit being chosen seems slim. Mr Prentice acknowledges that he would be fortunate if he succeeded in his first attempt to find a constituency.

The Wycombe selection committee meets on Wednesday to begin the process of selecting a new candidate, and several hundred aspiring politicians, including some former Conservative MPs, are expected to attempt the first hurdle.

Yesterday Mr Prentice answered those who have criticised him for not resigning at Newham, North-East, his present constituency, and standing there under his new Conservative colours.

He gave four reasons for not resigning. First, an MP is not a delegate; he owes his constituents the duty of using his judgment on their behalf. Secondly, there were precedents in political history for his decision, and nearly all the MPs concerned had stayed throughout the life of the relevant parliament, representing the constituency for which they had been elected. The most recent examples had been Mr Alan Brown (Tottenham), Mr Desmond Donnelly (Pembroke), and Mr Christopher Mayhew (Greenwich, Woolwich, East).

"Thirdly," Mr Prentice said, "this is a dying Parliament, or should be. It is not the same as I had announced my decision after Parliament had run only six months of a five-year term."

His fourth reason was that there was already an excellent prospective Conservative candidate at Newham, Mrs K. Wood. Any one of those reasons, he said, would have been sufficient to justify his decision to stay on in Parliament as MP for Newham, North-East. He will receive the Conservative whip when the Commons return to Westminster for prorogation on Wednesday week.

Anti-EEC campaign: Mr John Lee, Labour MP for Birmingham, Handsworth, who has announced that he will not be standing in his constituency at the next general election, said yesterday that he would fight as a "Get Britain Out" candidate at Newham, North-East (the Press Association reports).

Carbon dioxide increase brings temperature rise

By Pearce Wright
Science Editor

An investigation by the Meteorological Office at Bracknell, Berkshire, suggests that discharge of man-produced carbon dioxide and dust to the atmosphere has a far greater effect on the climate than sunspot activity.

The study, by Mr M. K. Miles and Mr P. B. Gildersleeves, concludes that sunspot activity is insignificant among the likely causes of climatic fluctuations over the past one hundred years, and a doubling of the carbon dioxide from 305 parts a million to 610 would give the hemisphere a rise in temperature of between 1.77 and 2.23°C.

Details of the mathematical method to determine the important factors causing the warming and cooling of the atmosphere are described in the latest issue of the office's monthly magazine.

A series of elaborate equations needed to identify a possible correlation between changes in climate and concentrations of carbon dioxide, dust, sunspot activity, the extent of the Arctic ice-field, patterns of prevailing winds, and so on, were first tested with a computer programme. That has been devised for searching for cause and effect relationships by medical research workers with a technique known as multiple regression analysis.

The procedure has now been applied on the new large computer systems, available for meteorological work, and the group are to extend examination to climatic changes back to 1665.

Similar advances in weather observations of the ice sheet by satellite have provided accurate data for that type of investigation.

Records from 1870 start when the small amount of carbon dioxide in the atmosphere came mainly from natural sources and was more or less constant. Subsequently, the amount has risen continuously, whereas the dust measured by the volcanic dust cloud index has declined, with a brief rise in the 1960s.

The amount of carbon dioxide in the atmosphere alters the "greenhouse" properties by changing the capacity of the atmosphere to admit solar radiation. Solar radiation is converted to a longer-wave terrestrial infrared radiation after it has reached the Earth, and a layer of carbon dioxide in the atmosphere absorbs that type of radiation strongly, thus preventing it from escaping and providing the greenhouse effect.

Dust levels are important because dust tends to reflect solar radiation back into space, and the analysis indicates that the clearing of dust from a peak concentration in 1885-89 up to 1920-24 provided a warming of more than 0.3°C.

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The amount of carbon dioxide in the atmosphere alters the "greenhouse" properties by changing the capacity of the atmosphere to admit solar radiation. Solar radiation is converted to a longer-wave terrestrial infrared radiation after it has reached the Earth, and a layer of carbon dioxide in the atmosphere absorbs that type of radiation strongly, thus preventing it from escaping and providing the greenhouse effect.

Dust levels are important because dust tends to reflect solar radiation back into space, and the analysis indicates that the clearing of dust from a peak concentration in 1885-89 up to 1920-24 provided a warming of more than 0.3°C.

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Clothing trade 'threatened by low pay'

By Our Labour Staff

HOME NEWS

Booth hint of increased powers for Acas on union recognition

By Our Political Correspondent

It would go against the spirit of British industrial practices for the Government to introduce legislation to make the recommendations of the Advisory, Conciliation and Arbitration Service (Acas) enforceable by law, Mr Booth, Secretary of State for Employment, said yesterday.

He was answering questions about the Grunwick dispute in north London. A mass picket of several thousand trade unionists is expected at the factory today, despite an appeal by the Association of Professional, Executive, Clerical and Computer Staff (Apecs), the union involved, for it to be called off.

It was suggested that Mr Booth was independent television programme, *Weekend World*, that many employers in medium-sized factories would be likely to follow the lead of Mr George Ward, the Grunwick managing director, in refusing to recognize trade unions, and that many trade unionists feared that that would happen.

Mr Booth said he did not share that fear. He said that Acas was an eminently reasonable body which went about its task in an impartial way. It had resolved many union recognition questions. It was backed by the CBI and the TUC and both employers and unions had much confidence in it.

"I am asked to consider that Grunwick is not untypical and that most of employers are not going to compete with Mr. Booth said. "I think that is unlikely. But if I am wrong, if there are a large number of others who take Mr Ward as their mentor and guide, we would have additional powers" giving additional powers.

In a statement issued in his constituency of Barrow-in-Furness yesterday, Mr Booth commented on the Conservative Party conference debate on labour relations. He said he thought that few Tories had learnt the lessons of the past few years as Mr James Prior, the Conservative spokesman on employment, had done.

"Given half a chance," he said, "the Tory party would be in for confrontation rather than cooperation; would still favour draconian laws to restrict trade unions, which if enforced would put trade unionists in a very tight spot. An Official Solicitor to get them out."

Mr Booth noted that Mr Prior was given a standing ovation at Blackpool. But no observers present got a clear idea where the Conservative Party stands in its relations with the trade unions, despite Jim Prior's efforts.

"He admitted on television last week that he was a hawk in 1974. He was one of those who engineered the colossal shut-up which ended in the shambles of the three day week. Now he is a dove who wants to work with the trade unions in Britain, who do, after all, represent 11 million workers. We must welcome this latter-day conversion."

As an attempt to change the Conservative Party, Mr Booth likened Mr Prior's conference speech to the action of the Chinese general who on becoming a Christian baptized his army with a hose.

He said Mr Prior was right in the most trade unionists in the world work with the rightfully elected government of the day, given half a chance.

They have worked with this Government to get Britain out of the mess that Jim Prior and his hawks got it into. They know, better than most, that a hawk does not turn into a dove just by learning to coo."

Leading article, page 13

Treasury 'is clinging to Victorian tax concept'

By Annabel Ferriman

No department in Whitehall has clung more tenaciously to the concept of the Victorian era than the Treasury, Miss Betty Lockwood, chairman of the Equal Opportunities Commission, said at a conference on sex discrimination and tax in London on Saturday.

"If the principles of sex equality are to be introduced, the Treasury must look at the question of taxation," she said.

The commission wants the Chancellor to amend section 37 of the Taxes Act, which states that for tax purposes a man owns his wife's income. It had made representations to the Treasury, but with little result so far, she said.

"We are saying a woman should be recognized as an individual in her own right. The commission feels that in this respect the Treasury and the Chancellor are dragging their feet and there is a need for drastic change."

The Treasury had promised to produce a leaflet on separate assessments, however, that scheme better known, she added. Under separate assessment the wife is able to fill in her own tax form, which is sent to her in her name. Any personal allowances to which the couple are entitled are added together and divided between them in proportion to their incomes, instead of the higher married man's allowance all going to the husband.

The total tax bill is the same, whereas in the case of the wife's earned income election husband and wife are taxed separately and the tax bill is lower if they are high earners.

Iron bridge going

The iron tollbridge across the River Trent at Dunham, Nottinghamshire, built in 1830, is to be demolished next month.

Byways of government, 4: BBC monitoring service feels the pulse of the world

Moscow used radio watchdogs to end war threat over Cuba

By Stewart Tendler

There is still a slightly wartime flavour in the air at Caversham Park. Once a private school, the estate, close to Reading, was requisitioned in 1943 by the BBC monitoring service and buildings continue to be described as the sanatorium or the science block.

Inside the main building a splendid piece of machinery, worthy of Hush Robinson, competes with modern pneumatic tubes to carry messages. The atmosphere is a blend of scholarship and journalism, with a large staff of radio technology. With a short flight of fancy one could be in some arcane corner of the intelligence community.

There is in fact nothing secret about the work of Caversham Park, although its radio receivers are the ears of 250 official and 200 private subscribers who want to know what the governments in Africa, the Middle East, the Far East and behind the Iron Curtain are saying to each other and to the world.

The service began in 1938, when the BBC embarked on external broadcasts and wanted to discover exactly how to pitch its programmes to new audiences. The service gave a

picture of what those audiences heard and expected from their radio stations.

The strategic value of monitoring was recognized as the Second World War, and by 1945 Caversham Park had a staff of a thousand. The use of radio for propaganda and as an intelligence source had become well defined by then.

The onset of the cold war brought an agreement between London and Washington to divide the air between them and exchange information on the broadcasts of 120 countries.

The system continues today: Caversham Park, at a cost of £2,500,000, has responsibility for more than fifty countries, including the Soviet Union and its satellites. The staff now numbers 400, and 100 of them are monitors proficient in any one of 30 languages, including such as Somali and Ukrainian.

The monitors will listen, for example, not only to Moscow Radio's external services but also to some of the 60 foreign language broadcasts, which include Zulu and Quechua, a dialect of the Andes.

Everything is recorded and destroyed after 28 days unless the broadcast is of historical value. Monitors make notes of

significant points, or if necessary work in teams to produce a running record of an important broadcast.

They work in the listening room, which has 40 receivers divided between various teams, of which the Russian is the largest. In the radio room near by teleprinter machines receive the messages of 25 foreign news agencies including many communist state agencies.

The multilingual mass of words reaching Caversham Park via radio receivers close at hand, in Cornwall and in Vienna, is channelled into a number of outlets. A news service supplies the BBC and other subscribers with instant news.

It is a service rarely credited by journalists, even though it has had through the monitors some great scoops. In 1956 a monitor listening to Radio Budapest is said to have noticed that the familiar announcer sounded odd. Shortly afterwards the Russian invasion was announced.

In 1962 the Russians wanted to assure President Kennedy at the height of the Cuban missile crisis that they would not attempt to run the American naval blockade. There was no direct contact between the

Kremlin and the White House and the Russians decided to use the monitoring service.

Moscow Radio announced that an important statement would be issued in 30 minutes, giving the monitors a warning. The statement announced that the Russian ships would turn back. A copy was translated and sent direct to the White House, which accepted its accuracy without question.

Four years later the monitors were keeping a 24-hour watch on broadcasts from Prague and were the first to learn of the Russian invasion of Czechoslovakia at 2 am.

Such journalistic coups may quicken the pulse but are soon forgotten, while the service's second channel is more weighty. Nightly at 10 pm four digests covering the Soviet Union, the Middle East and Africa, the Far East and eastern Europe are prepared. Together they contain a total of 100,000 words each day.

At an annual cost of £240 for the four publications, they are sent to such disparate subscribers as the Cuban embassy in Peking, Harvard University, Lufthansa's office at Heathrow airport and the Ministry of Defence.

The pages may contain such

spurious announcements as the one from Moscow Radio that Toowr (sic) Bridge had been sold to an American or the full text of the latest pronouncement from Peking.

Often it is not a matter of what is said but why it has been said at that particular time. A good example is the reason Peking Radio recently denounced the United States on biological warfare in Korea in 1952. The allegation was hoary but Mr Cyrus Vance, the American Secretary of State, had only just left Peking. Was there a connection?

Caversham Park snatches a puzzle from the air and passes it on for someone else to try to solve. In time the answer may be found; but there is one broadcast no one has ever explained.

In 1968 the monitors listening to Peking Radio's Russian broadcast heard a stream of gibberish. An engineer played the tape backwards and out came the normal broadcast. It was put down to a technical error in Peking, but it has never stopped. Several times a day every day Peking Radio still broadcasts backwards to Moscow.

Next: Stationery Office

Start on Britten-Pears music school soon

By Martin Huckerby

Building work should start soon on Britain's first post-graduate school of music, the Britten-Pears School for Advanced Musical Studies at Aldeburgh, Suffolk.

The provision and extension of practice, rehearsal and lecture rooms at the Snape Maltings, near Aldeburgh, should make possible full-time opening of the school next year.

An appeal for £600,000 to provide the new facilities was launched two years ago and Mr John Trew, secretary of the

Aldeburgh Festival-Snape Maltings Foundation Ltd, said that so far they had raised, in contributions and promises, just under £300,000, including a £50,000 grant from the Arts Council.

A new effort to raise the remaining funds is expected to be announced in the next few weeks. It will be known as the Britten Memorial Appeal.

The appeal will provide a permanent means of commemorating Britten, who died earlier this year. The composer will be making a posthumous contribution towards the project through the rights deriving

from the copyright of his works.

At present the school operates somewhat spasmodically, with courses in singing and string-playing being held between March and October/November. Once the new buildings are complete the course will be considerably extended to provide a full-time institution for young musicians on the threshold of a professional career.

The aim is to concentrate on singing and string-playing, with Mr Peter Pears as director of singing and Mr Cecil Aronowitz as director of strings.

Kidney disease 'costs £150m in lost work days'

About 9,000 people a year in Britain die of kidney disease and thousands more suffer, yet the money available for research is "peanuts", Professor Oliver Wong, chairman of the Kidney Research Fund, said yesterday.

Speaking at the start of National Kidney Research week, he estimated the cost through lost work days alone at £150m a year. "Against this, it is probable that less than £1m

annually is being spent on kidney research."

He said the fund was never able to grant more than £250,000 a year, slightly more than a halfpenny on research for every £1 that kidney disease cost in lost wages and production.

Much more prevention could be achieved given more research in, for instance, screening children for urinary tract infection and preventing kidney stones.

Bank refunds 'may go to IRA' charge

From Craig Seton

Mr Jack Lynch's Government was at the centre of a political storm in the Irish Republic yesterday over allegations that the Provisional IRA could benefit from a decision to refund £2.9m to depositors in the collapsed Irish Trust Bank.

The bank, which was granted a licence to operate in 1971, attracted depositors, including many from the United States, by offering unusually high interest rates. Some of the American investors were said to be acting on behalf of the IRA.

Mr Ritchie Ryan, the former Minister of Finance, said on radio that the coalition government before he left office had initiated examinations. It could not be believed that some of the depositors were not associated with illegal activities.

Asked if he meant the provisional IRA, he replied: "Yes, and allied organizations." Mr Ryan said the Minister of Finance, told the new session of the Dail on Wednesday that he was satisfied "no benefit is accruing from these payments to subversive organizations directly or indirectly".

He reacted sharply to the media allegations and demanded that Mr Ryan produce evidence or stop making such statements.

Mr Ryan appeared to be talking about preliminary indications in police reports. Mr Colley said: "I have seen no such reports."

Mr Michael Keating, urban affairs spokesman for the Fine Gael opposition party, supported Mr Ryan and asked the Government not to go ahead with the refund.

He urged Mr Colley to get the Garda, the Irish police, to investigate the allegations and said: "I have grounds for believing that some of the depositors may be members of the IRA or one of the IRA's front organizations."

Teachers' union urges new schools Act

Britain's second largest teacher union, the National Association of Schoolmasters/Union of Women Teachers, urged the Government yesterday to announce a new Education Act in the forthcoming Queen's speech to replace the 1944 Act.

Mr Terence Casey, the union's general secretary, said at Sheffield that a new Act with provision to avoid such events as happened at William Tyndale School, London, and in Tameside, Greater Manchester, was a "national imperative".

He feared, however, that Mrs Williams, Secretary of State for Education and Science, would do nothing more than announce amendments to the existing Act.

He welcomed proposals for changes, including giving parents the right to choose their children's comprehensive school provided there was room, but said the changes did not go far enough. Instead of " tinkering " with a 33-year-old Act, Mrs Williams should devise a law to meet the needs of the 1980s.

The present Act was "in bad shape". It had been confined in the courts, and confounded by its own contradictions. It said the minister should determine education policy yet it vested control of the curriculum in the local education authorities.

"It is this conflict of responsibility which causes confusion and leads to Tamesides and Tyndales", Mr Casey said. A new Act was needed to establish a genuine national education service, locally administered.

Local education authorities, he said, should be agents of the Department of Education and Science operating within local circumstances but in accordance with national policies.

Mr Casey was optimistic that there would be a bigger allowance for education at the end of the forthcoming rate-support grant negotiations. But he feared Mrs Williams did not have the power to prevent authorities from using money intended for education for other purposes.

Probation officers criticize 'incompetent' solicitors

Solicitors were criticized yesterday for "incompetence" and insufficient preparation of cases. The London branch of the National Association of Probation Officers, in evidence to the Royal Commission on Legal Services, said: "We are appalled by the generally poor service offered by lawyers to working people and defendants in magistrates' courts."

"With some notable exceptions, it is commonplace to see people poorly represented and not uncommon to see truly incompetent representation."

The branch said that such incompetence was recognized by magistrates and by other lawyers, but despite the legal profession's claim to maintain its standards there was reluctance to intervene.

It went on: "However, such incompetence is a less significant cause of poor legal representation than hurried and inadequate preparation of cases by relatively competent lawyers." Too often in magistrates' courts instructions were taken with indecent haste at the last minute, often on the morning of a hearing.

The branch said that the legal profession's continued involvement in "the most unprofessional and unjust process of plea-bargaining" was particularly disturbing.

It added: "It is our experience that many lawyers take on more work than they can adequately handle because of financial considerations. Professional standards are sacrificed to increase income and the free enterprise base of the legal profession undermines its standards of work."

"We support the widest possible availability of legal aid to those who otherwise could not afford to be represented, but we consider that more effort should be made to ensure that the service provided justifies its cost in public expenditure."

Fairground accident

Six people were taken to hospital suffering from shock after the arm of a fairground "dive bomber" broke, dropping its cabin to the ground, at Hull on Saturday night.

Wife found dead in bath

A murder inquiry was started yesterday after a housewife had been found dead in six inches of water in the bath at her home at Leigh-on-Sea, Essex.

Mrs Vanessa Raven, aged 24, was found, fully clothed, by her husband, Mr Robert Raven, aged 34, when he arrived home from work on Friday night at their house in Prince Avenue.

Self-help recipe for a Welsh revival

By Tim Jones

The people who inhabit the industrial valleys of South Wales are today urged to acquire entrepreneurial techniques, so as to sustain their communities as viable economic and cultural entities.

According to a report by the Ty Torfaen socio-economic research group, the valleys are stuck with an historical assumption that employment is provided by outsiders. "And all we can do is try to lure in specimens of this particular and alien brand of human being."

That attitude, the report says, must change soon. Positive government discrimination in favour of declining industrial areas like South Wales is being eroded by the extension of special industrial area status to much wider areas of Britain.

An acceptable industrial structure can be achieved for the valleys, the report says, only if 54,000 jobs are created

in manufacturing and 41,000 in service industries by 1991. Some could be created by a policy of import substitution. Labour-intensive plants could be established to produce for valley consumption goods that would otherwise be made elsewhere.

On that basis, some of the industries most worth attracting would be motor vehicle assembly, clothing manufacture, shop and office fittings and electrical machinery.

Although the proportion of valley workers employed in manufacturing remains well above the national average, service industries provide most jobs. "The strongest effort must therefore be made to counter the loss brought about through policies of excessive centralization of, for example, health services, office accommodation, shopping facilities and maintenance depots of gas, electricity, water and buses."

The report says that while the valley houses erected over the turn of the century were as good as any of their kind in the world, only 63.1 per cent have hot water, a fixed bath and a lavatory. It estimates that by 1991, 48,000 unfit dwellings will need to be replaced.

Existing provisions for transport should be improved rather than developing new ones. "For reasons of financial realism, of geography in an already crowded area, of equity, with so many non-car owners in the valleys, it is better to spend on public transport than expensive new road works," the report says.

And the authors emphasize that it would be a great loss to the vitality of Welsh and British culture if the valley communities, with their great radical traditions, were slowly bled to death through emigration.

Choosing our Future (Ty Torfaen, Aberfan, 50p).



A van crossing a city. A truck crossing a continent. A bus carrying tourists, or workers, or school-children. Vehicles named Fiat. OM. Lancia. Unic. Magirus-Deutz. This is the world of Iveco.

Iveco: a world of experience.

WEST EUROPE

Cars blaze as extremists battle with police on anniversary of Catalan leader's execution

From Harry Debelius
Madrid, Oct 16

Extremists threw about 100 petrol bombs in Barcelona, setting several parked cars on fire and injuring seven policemen, according to an official statement today.

Hundreds of demonstrators belonging to the International Spanish Communist Party (PCEI), which is to the left of the main Spanish Communist Party (PCE), battled with riot police for several hours on Saturday night in the city centre.

Hit by metal pellets fired from slingshots as well as by firebombs, police fought back with rubber bullets and smoke grenades. The leftists staged their demonstration in favour of Catalan separatism on the thirty-seventh anniversary of the execution of President Luis Companys of the Generalitat, the autonomous Catalan government.

Police have taken out a warrant for the arrest of Señor Alberto Royuela, a fascist activist and president of the Brotherhood of Franco's Guard,

an extreme right-wing organization. He is wanted for questioning about a bomb explosion at the offices of the Barcelona-based humour magazine *El Papus* on September 20. Two people died in the explosion. During the weekend, Señor Royuela telephoned a Barcelona newspaper to say he knows only three of the 13 persons arrested in connexion with the bombing. He told the newspaper that he never placed a bomb or carried a pistol.

Another Barcelona newspaper, *Mundo Diario*, received a communiqué from the right-wing terrorist movement known as the Triple A (Apostolic Anticommunist Alliance) in which attacks on "a Catalan leftist leader" and two publications were threatened unless Señor Miguel Gomez Benet, the prime suspect held in the *El Papus* bombing, is released.

In the Mediterranean city of Valencia, a man claiming to be a member of Grapo (the First of October anarchist revolutionary groups) held up a savings bank on Saturday but got away with only 50,000 pesetas (£538).

Meanwhile Madrid police have named the chief suspect in the killing of a police captain on September 27 as Señor Juan Martín Luna, a 25-year-old welder, who was arrested last Sunday along with 17 other members of Grapo. Police are still looking for an accomplice.

Two "safe houses" used by Grapo were discovered in the capital last Wednesday. They contained arms and propaganda, stolen military uniforms and other items. Near the Basque city of San Sebastián, police defused a bomb at the mountain-top site of a television mast. Police suspect the device was planted by the separatist ETA (Basque Homeland and Liberty), whose members blew up three other aeriels in the Basque country last Wednesday.

At a political rally of the right-wing National Alliance, Señor Manuel Fraga Iribarne, leader of the party and a former ambassador to London, said: "Public order is rapidly disintegrating. And instead of saying that this state of affairs must cease, they give one amnesty after another."

Couple held in hunt for Patino kidnappers

From Our Correspondent
Geneva, Oct 16

Swiss police today detained two foreigners, a man and a woman, for questioning in connexion with the kidnapping of five-year-old Graciela Ortiz Patino, whose parents paid \$2m (£1.5m) for her release.

They are being brought to Geneva for questioning. According to the police here they are suspected of having been "living clandestinely" in the Geneva region during the 11 days between the kidnapping of the child and her release on Thursday.

Early this morning a police patrol checking on a car park near Zofingen noticed a wine-coloured Alfa Romeo which corresponded to a description on a list of suspected vehicles circulated by the Geneva police. A watch was kept on the car.

At about noon a white Opel with foreign plates—also on the Geneva list, the police say—arrived. Its occupants were apprehended as they opened the rear door. According to the police, they had "suspicious items" on them but no money.

First Seveso families return home

Seveso, Oct 16.—Twenty-four families enjoyed their first Sunday at home in 14 months today after being evacuated because of contamination by poisonous dioxin from a chemical factory last year.

They are the first of 730 families allowed to return to their homes by the Italian authorities. But many people still live in fear of the possible long-term effects of the explosion at the Swiss-owned Icmesa factory in July last year.

Other families will follow later this week after their homes have been thoroughly cleaned and plants, trees and earth removed from their gardens.—Reuter.

Simplon rail line cut by floods

Milan, Oct 15.—The Simplon railway line will remain closed for several months because of damage caused by floods, railway officials said yesterday.

They said that the floods, had swept away a bridge over the Toce river. It would take months to rebuild. Two-thirds of the trains have been cancelled and the others rerouted.—Reuter.

Gas blowout fire on oil rig dies out

Copenhagen, Oct 16.—A gas blowout fire on a Danish oil boring rig in the North Sea died out during the weekend, and a crew was preparing to board the rig. The fire apparently stopped because the gas pocket which fed it was drained out.

Battle to find cure for the sick sea

From Peter Nichols
Rome, Oct 16

Legal and technical experts from most of the 18 countries washed—if the effort is correct—by the Mediterranean meet in Venice tomorrow to try to draft a treaty against pollution.

They have chosen as the seat of their conference the city which is the symbol of polluted beauty but their interests will be more general. The treaty they hope to draft is to control for the whole Mediterranean sea the discharge of industrial waste, municipal sewage and agricultural chemicals. The meeting, convened by the United Nations Environment Programme, is expected to last five days.

About 100 million people live in the coastal zones of the 18 Mediterranean countries. Their number is expected to be doubled by the year 2000. Another 100 million people

Portugal's parties are given an ultimatum

From Jose Shercliff
Lisbon, Oct 16

President Eanes gave the Portuguese political parties an ultimatum this weekend. Pulling no punches, he told them that they must, within the shortest possible time, find a platform of understanding between themselves to lead the country out of its economic and social crisis.

In his 28-minute speech to the country, delivered from the tribune of the Assembly of the Republic on the opening of its new session, he said: "I neither wish to take the place of the parties nor should I have to."

Political agreement, a social contract and the abolition of every kind of the three aims to achieve. Everything else depended on them.

Expectations that the President would announce some radical change in the Government proved to be unfounded. It was obvious from his words that Dr Mario Soares, the Socialist Prime Minister, still has his support.

President Eanes stated that his own mission was twofold: to ensure the working of state organs and to ensure the unity and independence of the Portuguese nation.

With regard to the first, he had done his best to keep track of Parliament's activities and justice and to "rehabilitate the historic dignity of the armed forces and adjust them to their new mission". He had also done his best to strengthen foreign relations.

He told the political parties that political insecurity must be overcome, the economic crisis solved and the "inadequate social situation" remedied. The parties existed to find solutions for the problems of the people and of the nation.

The President insisted that "the country needs serene and responsible government, and this is all the more urgent as the situation of political and economic insecurity becomes more dangerous". He considered it essential that "the political parties present and consolidate within the shortest possible time some method of political understanding and agreement" which would overcome the crisis.

President Eanes called upon all sectors to put their shoulder to the wheel. Intellectuals, workers, technicians, trade unions and employers must all work together.

The Christian Democrat leader, Senhor Freitas do Amaral, praised the President's speech as very enlightening. His party had shown willingness to find a basis of understanding, he said, but the ruling Socialists were unwilling.

Senhor Antonio Reis, a leader of the Socialist Party, regarded the speech as an appeal to the other parties to come to an understanding with the Government. Senator Carlos Brito, the Communist Party's parliamentarian leader, considered it a "profound diagnosis of the situation".

A tale of two cities and their cleanliness ratings

From Our Own Correspondent
Paris, Oct 16

A survey of the 39 largest cities and towns in France has shown that the cleanest and best run ones are those which take steps to keep down the number of cars.

Top prize in the survey, organized by the weekly magazine *Le Point*, has gone to Dijon, the wooden spoon has been given to a vehemently protesting Marseilles.

Photographs in the magazine underline the difference between the two cities. In Dijon, shoppers stroll around clean, cobbled streets; in Marseilles, pedestrians have to squeeze past cars parked on the pavements.

The difference between the two cities is not simply one of population, although Dijon with just 150,000 ought to have a head start over Marseilles with a population of a million. What seems to be the essential difference is the attitude of the two mayors.

M. Robert Poujade, Dijon's mayor, is a Gaullist with a strong ecological interest, including a spell in government as minister of responsibility for the Environment. M. Gaston Defferre, Marseilles' mayor, is a Socialist who has guided the city's growth since 1953, when there were just 600,000 people and 60,000 cars, to its present population with 400,000 vehicles.

It is perhaps surprising that

although the environmentalist movement, which is politically left-orientated, is so strong in France, the mayor in each of the top four towns—Dijon, Caen, Metz and Bordeaux—belongs to the governing majority.

Northern towns generally seem to be better cared for than those in the south. Moreover, Le Havre has 14 square metres (149 square ft) of open space per inhabitant compared to just 21 square ft in Nice. Limoges has the purest water, while that of Grenoble, Mulhouse, Nice, Toulon and Marseilles is the most polluted.

Upset by his city's low rating, M. Defferre has protested that he has only just persuaded the authorities in Paris to let him build a water treatment plant instead of just pumping sewage into the Mediterranean.

The problems posed by cars should ease after November 14, when the city's underground railway is due to open.

Meanwhile, M. Jean Francois Saglio, the present director for the prevention of pollution at the Ministry of the Environment, has announced that three times as many rivers in France are becoming cleaner than are becoming dirtier. The target was to clean up all the rivers over the next 15 years.

A five-year plan to clean up the Rhone, one of the dirtiest rivers in France, was agreed over the weekend.

If the drafting in Venice is a success, the treaty will be put for signature to governments early in the new year in Monaco. In the proposals, governments of Mediterranean countries would be called on "progressively to elaborate and adopt, in cooperation with the competent international organizations, common guidelines, criteria or standards" for dealing with the following:

The length, depth and position of pipelines for coastal outfalls. Special requirements for separate treatment of hazardous types or sewage, such as that from hospitals, and industrial waste. Quality of waters used for specific purposes and necessary for the protection of human health. A control and progressive replacement of products, installations and industrial and other processes contributing significantly to water pollution.

OVERSEAS

Hijacker's threat to kill all 87 hostages

Continued from page 1

"We asked him for something that did not exist on the aircraft. He told us there were four and I said 'Yes, of course four' (the number of hijackers). He let us know their type of guns. One of their guns was like a nine millimetre and there was a Colt and some plastic explosive."

From the start of the hijack, the West German negotiators and Emirates Government officials knew they were dealing with a very unstable man. Transcripts of radio transmissions from the cockpit of the Lufthansa jet—transcripts which have not been officially released by the Emirates authorities—show that Captain Mahmud repeatedly threatened to kill all his hostages.

This morning, for instance, he shouted over the radio to the Dubai control tower: "I am going to kill them all." When the voice in the cockpit was not answered, he said: "I have launched into a long tirade against 'imperialism and capitalism'."

Unlike the pattern of most hijacks, the guerrillas on board the jet at Dubai refused to make any concessions to the negotiators. When they demanded fuel for the jet, the West Germans asked the hijackers to release the women and children and the sick passengers in return. The hijackers agreed to release at least the release of the sick but Captain Mahmud's response—at about 8.40 this morning—was to tell the Germans that he would kill three people in the aircraft and then he would kill the rest. The fuel was not delivered by 9.30.

Throughout this exchange, Army officers and foreign journalists were able to watch the cockpit in close-up through the military television screen. Captain Schumann was sitting in the pilot's seat, looking straight forward for most of the time but occasionally glancing to his left. After 9.30, when the jet had been refuelled, the same hijacker could be seen raising his right hand to his mouth repeatedly as if smoking a cigarette.

Several times during the morning, soldiers dressed as mechanics supplied food, drugs and other supplies to the Boeing and each occasion the hijackers appeared to talk to them. At one point a gunman dressed in a uniform with gold braid on the shoulders and an officer's hat like that worn by airline pilots, came from the cockpit to the cabin and brandishing two large guns and waving them at the soldier-mechanics beneath.

On another occasion the same figure appeared at the cabin door to lift in boxes of supplies. As he did so, he never let go of the gun in his right hand. Christopher Walker writes from Dhaka: "The hijacked Boeing was picked up today by an aircraft of the Sultan of Oman's Air Force on which I was flying on a tour of military outposts. Identifying himself as Captain Mahmud, one of the hijackers was apparently trying to make contact with me for control at Rivan, a former RAF base on the South Yemeni coast midway between the Omani border and Aden. It was then about 180 miles west of our own position."

As I listened on earphones in the cabin, he claimed he was a leader of what sounded like "the Halibee Junis" unit of a body described four separate times as the "World Anti-Imperialist Organisation".

The conversation took place shortly after the Boeing had been landed at a newly extended international airport in Dhofar where the runway was blocked by army lorries. Banned also from Rivan, Captain Mahmud, using our aircraft as the sole radio link with the outside world, could be heard shouting: "We are going to land, even if you block the runway. I repeat, even if you block the runway." The Boeing appeared to be heading for Aden.

Birthday cake fantasy, page 14

South African troops main issue in Namibia talks

From Our Own Correspondent
Johannesburg, Oct 16

Mr R. F. Botha, the South African Foreign Minister, today announced that he is to have a further round of talks in Pretoria tomorrow with ambassadors from the five nations of the Western "contact group" on the future of Namibia (South West Africa).

The talks coincide with the United Nations General Assembly debate on the territory and follow a further round of talks last week between the "contact group" and the nationalistic South-West Africa People's Organisation (Swapo), which is fighting a low-intensity guerrilla war against South African troops in northern Namibia.

Tomorrow, discussions are expected to clarify points made by Swapo at these talks, particularly concerning the continued presence of South African troops during the transitional period until full independence is achieved next year.

During four days of intensive discussions last month, the Western initiative came close to collapse on the question of troops after the submission of proposals by the Western five—Britain, the United States, West Germany and Canada.



First snow: A Moscow family walking past the Borodino Battle museum in the season's first heavy fall over the weekend.

US senators likely to take kinder view of Panama treaties

From Patrick Brogan
Washington, Oct 16

The chances that the Senate will ratify the new treaties on the Panama Canal were greatly improved by the visit on Friday of General Omar Torrijos, the Panamanian leader. Senator Robert Byrd, the Democratic leader in the Senate and a sceptic on the desirability of the treaties, said yesterday that the joint American-Panamanian statement issued after the visit was "a very important diplomatic achievement."

"Without the statement, I am sure the treaty would not have been ratified. With the statement, I think the chances have been improved," he declined, however, to say whether he had decided how to vote himself.

In the statement, the Panamanian leader confirmed

that the United States had the right "to act against any aggression or threat directly against the territorial integrity or political independence of Panama."

These are the two points that have been most in dispute during the slow process of ratification of the treaties. Many senators have used some apparent ambiguities in the treaties and conflicting interpretations of their clauses here and in Panama to justify their opposition.

The Panamanians had denied that the treaties gave the Americans the right to intervene with instructions from his government, that "any United States action will be directed at ensuring that the canal will

remain open, secure and accessible and shall never be directed against the territorial integrity or political independence of Panama."

The United States has a long record of intervening in the domestic affairs of Caribbean and Central American states, and no South American government could agree to a treaty which seemed to authorize such a practice. On the other hand, many Americans fear that by giving up direct control of the canal, the Americans are jeopardizing their own security and will allow the Russians, Cubans or Chinese to replace them.

Friday's statement was not the opposition of the most dedicated conservatives in the Senate, but it will help the wavering.

'Rand Daily Mail' again reprimanded

From Our Own Correspondent
Johannesburg, Oct 16

South Africa's increasingly industrial press council today ruled that the *Rand Daily Mail*, the country's biggest newspaper, had contravened the country's press code by failing to give the public news in a balanced manner in a report concerning alleged torture of detainees by the police.

In its second adjudication involving the *Rand Daily Mail* within 10 days, the council upheld a complaint against the newspaper by Mr Etienne Mdueni, a former Member of Parliament, and ruled that the newspaper had failed to "report the news accurately or objectively". The paper was ordered to publish the council's ruling.

The complaint involved a report about a publication by the Anti-Apartheid Christian Institute entitled *Fortune in South Africa*. The publication was later banned by a committee of publications chaired by Mr Malen.

Earlier this month, the paper was reprimanded by the press council for publishing a letter by James Kruger, the Minister of Justice and Police, over a front-page report about the death in detention of Mr Seven Biko, the black consciousness leader. Mr Kruger has subsequently reported to the press council concerning references to Mr Biko's death.

Ten die in S African school bus crash

Montebello, South Africa, Oct 16.—At least eight black schoolchildren were killed and nearly 100 injured when a bus taking them home from a sports meeting crashed near here last night. A teacher and the driver also died.—Reuter.

Bing Crosby's body to be flown home today

By Our Foreign Staff

The body of Bing Crosby, who died of a heart attack on a Madrid golf course on Friday evening, will be flown today to Los Angeles today.

Mr Crosby, the 52-year-old son of the star of 72 films, said on his arrival in the Spanish capital: "Bing Crosby was not only a great actor, he was also a very good father to all of his children."

Mr Crosby's body was embalmed at the Forensic Medical Institute in Madrid in accordance with instructions from his family. He will be buried near Los Angeles tomorrow.

His widow, Mrs Kathryn Crosby, has asked that no flowers should be sent from Britain; instead donations should be made to the Silver Jubilee Appeal Fund.

The news was revealed by Mr David Harrington, deputy leader of the Greater London Council. He said he had spoken by telephone to Mrs Crosby, who intended to come to London this autumn for the Royal Variety Performance, which she had signed to have appeared.

Mr Harrington said that every penny Crosby earned in Britain last year went to London youth charities.

"He had this great love of London," Mr Harrington said, "and a real interest in East End children. The singer and his wife spent a day at the Dane-ford secondary modern school, Bethnal Green, on his last trip."

Mr Crosby, a Roman Catholic, had planned to do a benefit for Westminster Cathedral, which was crowded with more than 2,000 mourners for a memorial Mass yesterday.

Speaking to reporters at their Hillsborough home in California, Mrs Crosby said her husband's annual Christmas

television show, taped in London two months ago, will be shown as planned. "I think it's the best thing we've done. It's lovely. I think everyone will love it," she added.

Mr Crosby was a simple, friendly, and a little bit of a clown. He was a very good father to all of his children.

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Costa Ricans protest at border attack

San José, Oct 16.—In a formal protest to Nicaragua, Costa Rica has complained that

Señor Mario Chacante, Minister of Public Security, came under machine gun fire from Nicaraguan aircraft near the border between the two countries two days ago.

The Foreign Ministry said yesterday that Señor Chacante and a group of about a dozen journalists were attacked with rockets and machine guns for about an hour. There were no casualties.

The incident took place on the Frio river near the border. After the San Carlos attack at least three guerrillas fled into Costa Rica. Nicaragua said today it would be applying for their extradition.—Reuter.

Sir Edmund Hillary's condition improving

Delhi, Oct 16.—Sir Edmund Hillary, aged 57, conqueror of Everest, who was taken seriously ill in the Indian Himalayas, is reported to be much better at the Bareilly military hospital and no longer in need of special treatment.

Karpov's July date

Caracas, Oct 16.—Anatoly Karpov, the world chess champion, is prepared to play an unlimited number of games when he defends his title next July against Viktor Korchnoi or Boris Spassky.

Mr Mandl hints at 1978 accord on Rhodesia

From Fred Cleary
Salsbury, Oct 16

There are clear indications here that a constitutional agreement could materialise in the near future, Mr Ian Smith, the Prime Minister, said today. He said last week that he had objective in mind, and after talking to the Rhodesian leader, Mr Reginald Maud the former Conservative Cabinet minister, voiced same view.

In an interview Mr Maud told me he believed there was a "real chance" of a settlement based on the Anglo-American proposals.

The present situation, tragic, menacing and extremely urgent, he said. Then he said: "Yet I have got the impression that there are possibilities of a settlement, the present fog of misunderstanding and bitterness that hangs over things that he said and done."

Mr Mandl, who held talks with Cabinet ministers, a representative of Mr Joshua Nkomo, the nationalist leader, and a businessman during his visit, said he believed Smith shared his own optimism.

"I cannot disclose what said at our meeting, but I do not think it would be wise to say that we have reached an agreement," he said.

He went on to emphasise the need for a constitution and a little on transitional arrangements. On the second question, he would be responsible for raising law and order of a transitional period, he said. Carver, the Resident Commissioner-designate, should be Mr Smith's representative to Rhodesia to assess situation and judge how to mould the security and the nationalist together.

Mr Mandl believed that the British Government have to provide guarantees individual rights and respect the position of mind. Although one could not be absolutely sure that constitutional agreements would be a real fear in the country, he thought that overwhelming majority of people of all races would see a constitution of kind respected.

Starting that African nationalists were going to get what they were pressing for, he said. He thought that a constitutional agreement could be reached. This is certainly reflects the mood of the Rhodesian Government.

Mr Carter sees servicemen interrupted

Washington, Oct 16.—Democratic protesters against the Vietnam war interrupted a service for the late President John F. Kennedy today. The protesters, who were carrying signs and shouting slogans, were seen by the service.

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THE ARTS

Ninette de Valois restores a classical pleasure

The Sleeping Beauty
Covent Garden

John Percival

The most important thing to say about Ninette de Valois's new production of *The Sleeping Beauty* is that she makes it possible again to watch with pleasure a work that was for 20 years and work after a decade of the Royal Ballet's finest classical productions, one misbegotten production, one imaginative but wrong-headed, the other simply messy. In general approach she has followed the formula that worked so well before, even to the extent of commissioning designs that are pastiche, not an original interpretation.

David Walker's Messel-and-water settings and costumes have not the splendour or distinction of their model, but they are conventionally pretty and their insipidity is itself a kind of merit because they rarely attract attention. A pity that the fairies all look so much alike that neither Aurora nor Florimund stands out from the crowd. I miss Carabosse's rags; goat-headed devils seem a curious replacement for them.

The most important single change from the 1946 version is the inclusion of Frederick Ashton's lyrical awakening duet created for the 1968 edition. That will certainly be popular.

but seems to me a betrayal of P. de Valois's original grand design. The classical dances of the film scene and the wedding scene should tell us everything about the love of the sleeping beauty and her prince, without needing the stylistically clashing romantic appendage.

By including it Dame Ninette makes a complete botch of the story as a whole point; not that she seems much concerned with narrative anyway, since the king and queen are not at all in 116 years. More important, she presents the final big duet just as a showpiece with no revelation of its dramatic content, then exacerbates the damage by again shearing off the code for those boorishly irrelevant Ivans. Do we really want them as well as MacMillan's Hop-o-my-thumb solo from the 1973 staging?

Those are faults that can be put right now that the main work of restoration has been done. Similarly, simply to have this ballet back in the repertoire with its many demanding roles both small and large should help put the piece back in the limelight. There has already been a careful attempt to clean up the style, notable for instance in the Rose adagio where the balancing tricks are never allowed to override the music.

The star of the opening performance was Anthony Dowell, greeted with a warm ovation after his long illness. He makes an elegant, courteous prince and dances with glowing smoothness. I am conscious of being in a minority in thinking, nevertheless, that he and the

role do each other slightly less than full justice. There is something bland about his playing; somehow I can envisage his making more effect as the most frightening Carabosse imaginable.

This role, however, has been given to a woman and no less a one than Lynn Seymour. At her first attempt it looked disconcertingly like a parody of the producer, but doubtless Seymour's keen sense of drama will soon put more spirit and more anger into it.

Lesley Collier's Aurora has gained a lot from study with de Valois and Ashton. Perhaps it is still too much in one mood of gentle smiling warmth, and she needs to take even more care to make the line of her legs look as long as possible. But the fluent exactness of her dancing after one or two early hesitations was attractive.

Among the smaller parts, Alfreda Thorogood's dancing as the Woodland Glades fairy and as the Bluebird's enchanted princess was a particular pleasure. Georgina Parkinson gave a nice sense of character to the countess in the hunting scene, maintaining her politeness when dismissed by the prince. The corps de ballet deserves credit, too, for its well sustained standard throughout.

First night fixes presumably accounted for two lapses in the evening. The lighting of the Abbey with its sharp, funny and pointed examination of Matthew Talbot, a self-willed martyr now being promoted for beatification and canonization as a saint for this century.

If Mr. Kilroy's somewhat over-written script plays as well as it reads it should keep the Abbey's small Peacock Theatre filled for the length of its contentious run. In two acts he manages to consider the justifications for the Abbey's canonization, the effect of his self-martyrdom on other people and the political currents of the time.

Mr. Sheridan's play, which was provisionally given the two festival weeks at the Olympia Theatre, might have been allotted its run by financial necessity, but its increasing popularity in Dublin more than justifies the decision. Necessity might have prompted the risk, but it also took imagination to see that a team from the Project Arts Centre, used to its own 120-seat theatre, could fill the splendid, and vast, Olympia—also known, among other names, as the Empire—which only recently in March after the collapse of the roof in 1974.

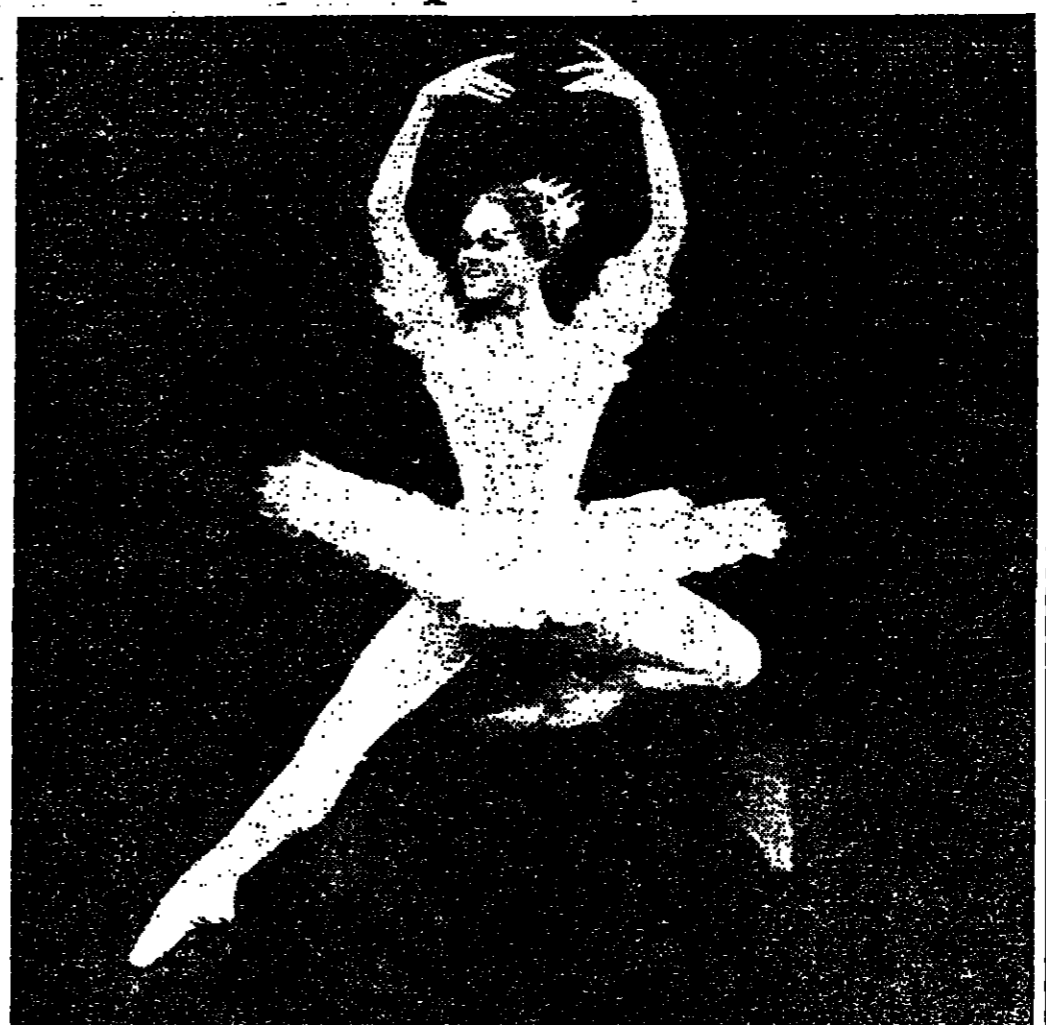
The *Liberty Suit* is an unusual play in several ways. It is primarily the story of a young man sent to an Irish prison for committing arson. The young man is played by Gerard Flynn, a young actor who turned to the theatre after serving two years in prison for arson.

Mr. Flynn provided Mr. Sheridan with details of his experience, and Mr. Sheridan, blending fact and fiction, has crafted a play which is rich in comedy and drama. Jim Sheridan's production of his brother's play is sympathetic and witty and the performances he has drawn from the predominantly male company are extraordinary.

Mr. Flynn as Jonnie Curley is by all odds the most impressive of the cast. He moves quickly from sullen innocence on entering the prison to canny convict seeking political status so he might wear his own clothes. Establishing his own territory by swaggering and fighting, he steps a bit beyond the bounds by taunting a silent gypsy, or "travelling man", and he comes involved in an assault on a prison officer.

There is a thin line between comedy and violence in the play, and Mr. Flynn treads it with good control. Twice the play comes to scenes of chaos, in a riot that rises from a religious lesson, and when an entertainer provides the prisoners with an unauthorized striptease dancer for their Christmas show. Mr. Flynn helps build those scenes with skill and also provides original songs which are part of his character's development.

There is one political prisoner, an evangelizing IRA man played by Gerard McDonnell, who is effectively



Lesley Collier

Photograph by Anthony Crickmay

Some of the notices on this page are reprinted from Saturday's later editions.

String Things
Purcell Room

Max Harrison

Not for years have I seen a stage so crowded with electronic equipment as that of the Purcell Room on Saturday night. The spectacle took me back, indeed, to the avant-garde concerts of the 1960s. Perhaps there is now an avant-garde revivalist movement and, if so, it is certainly the music, or rather the sounds, that is different from the old days.

On this occasion a group called String Things, consisting of Phil Wachmann, electric violin, Marco Martos, electric guitar, and Trevor Taylor, percussion, was responsible. They began with Toru Takemitsu's *Seasons*, which consisted of a variety of percussive noises, some quite pretty, that unfolded without any evident plan, that had no significant pattern. The rest of the programme was rather like that, whether pre-recorded on tape or performed "live".

An untitled guitar solo by Mr. Brighton was typical in this respect. It was at least for a while, quite striking in terms of exploiting unfamiliar instrumental effects, yet these had no particular relation to one another, and it all went on too long. *Solo* by Mr. Martos, was another rapidly changing piece, drawn from his instrument very different from those normally associated with it but making some use of electronically sustained notes. This was joined to another of Mr. Martos's works, *String Mix*, for which violin and guitar were added, and which offered a deal more of rapid-fire note-spinning, squeaking and gibbering to apparent random effect. Mr. Wachmann's *Three Draft Pistons* was more of the same.

Chameleon of the stage

Ned's Girl
By Bryan Forbes
(Edm Treen, 1959)Edith Evans
A Personal Memoir
By Jean Batters

(Hart-Davis, MacGibbon, £1.50) "I did what seemed right to me, and that's the only excuse for my acting." The speaker was Dame Edith Evans. Bryan Forbes, her expert biographer, also quotes her saying: "I am one of my epigrams." "I don't think there's anything extraordinary about me except this passion for the truth."

That was an understatement. Edith Mary Evans was an extraordinary woman. A very private person, she was a theatre, on stage she was an inspired chameleon; so various that many people think of her now in a single part and stick to it. The long-memory may choose one of her "lovelies", Millamant, when she set the Restoration to her own music, a bridal dance, others, maybe, the vestal virgin, Lady Bracknell (Dame Edith came to depict her), an avalanche in town and country, and last, come, no doubt, the Dowager Queen in Mr. Forbes's film, *The Slipper and the Rose*.

But there were scores of Evanses. All in her dressing-room, returned to this one woman, by no means easy to know, obstinate sometimes—"a sort of loner", she said, "who could give freely only in a world where she could be the final act of the voice, the ultimate gesture, a complete new creation. Her authors had to realize that she would not play people 'who are only half-finished' (hence her insistence on refusal to play Lady Macbeth).

She had an immense audience; yet few would see her as herself, her strangest, most oddly affecting character, both simple and complex, often misunderstood. Mr. Forbes has expressed it now with an intuition she would have admired.

From her childhood in Pimlico—her father, the "Ned" of her preferred title, was a minor civil servant—words possessed her. No wonder that William Poel, who met her first in the Shakespearean amateur Beatrice (even then Edith Evans was a girl transformed) chose this young mite-

linar to be his Cressida. Through life she revered the language. Twenty different voices sound today, from the slow "cloggy" utterance of Juliet's Nurse and the swooping rapture of Rosalind in a Watteau pastoral, to the Restoration light in the air, the bewitched, yet surprising, "spangled spooks" in the first act of *Daphne Laureola*, or Christopher Fry's Countess skipping into silence: "I wish I could go on singing."

Edith Evans continues to sing in the mind. Where so much playing, fondly-praised, has lost its original definition, the remembrance of Dame Edith's vocal line restores to me any character she acted, Millamant to Volturna and all that lies between. A lonely woman, yet surrounded by the people she created, more real to her at the time than the world of everyday.

Her story can be quietly moving, especially her long friendship with George (Guy) Booth whom she had known since she was 13 and he was five years older. They were married at length on the only free day she had from rehearsal before her Old Vic season of 1925-26; though they spent most of the ensuing decade apart, she was an oil painting in Venezuela, he a happy marriage. After his death it lived (Mr. Forbes says wisely) as "a remembered sadness of days lost between two people who were constantly searching for each other, but whose different maps of the world had not the same lines."

Later, Dame Edith had a trendy fleeing romance (breathed in the Old Vic As You Like It of 1936) with her young Orlando, now Sir Michael Redgrave.

Mr. Forbes writes with a truth and affection Dame Edith would have acknowledged. Further, his book is fortified by his letters from Shaw, George Moore, and all. Those from another great woman, the dramatics Edith Bagnall, who had not the calmest of times with her leading actress—have a particularly exhilarating urgency.

Miss Batters's memoir is a personal domestic footnote by Dame Edith's former secretary. Historians recognize that, any careful judgment, such unpretentious recollections as these are not to be discarded.

J. C. Trewin

Dublin Festival finds a winner

From the confines of a harshly cut budget the Dublin Theatre Festival has salvaged at least one play, *The Liberty Suit*, by a young playwright, Peter Sheridan. Of plays yet to come when I left Dublin, Thomas Kilroy's *Talbot's Box* appeared set to bring back controversy to the Abbey with its sharp, funny and pointed examination of Matthew Talbot, a self-willed martyr now being promoted for beatification and canonization as a saint for this century.

If Mr. Kilroy's somewhat over-written script plays as well as it reads it should keep the Abbey's small Peacock Theatre filled for the length of its contentious run. In two acts he manages to consider the justifications for the Abbey's canonization, the effect of his self-martyrdom on other people and the political currents of the time.

Mr. Sheridan's play, which was provisionally given the two festival weeks at the Olympia Theatre, might have been allotted its run by financial necessity, but its increasing popularity in Dublin more than justifies the decision. Necessity might have prompted the risk, but it also took imagination to see that a team from the Project Arts Centre, used to its own 120-seat theatre, could fill the splendid, and vast, Olympia—also known, among other names, as the Empire—which only recently in March after the collapse of the roof in 1974.

The *Liberty Suit* is an unusual play in several ways. It is primarily the story of a young man sent to an Irish prison for committing arson.

The young man is played by Gerard Flynn, a young actor who turned to the theatre after serving two years in prison for arson.

Mr. Flynn provided Mr. Sheridan with details of his experience, and Mr. Sheridan, blending fact and fiction, has crafted a play which is rich in comedy and drama. Jim Sheridan's production of his brother's play is sympathetic and witty and the performances he has drawn from the predominantly male company are extraordinary.

Mr. Flynn as Jonnie Curley is by all odds the most impressive of the cast. He moves quickly from sullen innocence on entering the prison to canny convict seeking political status so he might wear his own clothes. Establishing his own territory by swaggering and fighting, he steps a bit beyond the bounds by taunting a silent gypsy, or "travelling man", and he comes involved in an assault on a prison officer.

There is a thin line between comedy and violence in the play, and Mr. Flynn treads it with good control. Twice the play comes to scenes of chaos, in a riot that rises from a religious lesson, and when an entertainer provides the prisoners with an unauthorized striptease dancer for their Christmas show. Mr. Flynn helps build those scenes with skill and also provides original songs which are part of his character's development.

There is one political prisoner, an evangelizing IRA man played by Gerard McDonnell, who is effectively

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Wren Orchestra
Festival Hall

Max Harrison

The Wren Orchestra might be described as a large chamber orchestra, founded about a year ago by its conductor Howard Snell, and on Friday it made its Festival Hall debut. Although the management had chosen to seat me far nearer to the scene of hostilities than I would have wished, the ensemble seemed well balanced and certainly was lively.

True enough, in the opening movement of Mozart's symphony K184 the fanfare-like gestures were fairly stiff and restricted, but the melodies of the Andante were sensitively played. That made it the more surprising that in the opening tutti of Beethoven's Piano Concerto No 3 Mr. Snell achieved so little differentiation of dynamic levels: it was nearly all at the same level of emphasis.

Of course, the entry of the piano effects an immediate shift of perspective, and John Lill was an almost immaculate soloist. That made it the more surprising that in the opening tutti of Beethoven's Piano Concerto No 3 Mr. Snell achieved so little differentiation of dynamic levels: it was nearly all at the same level of emphasis.

As if to atone for that in the most serious movement, however, he made the piano's opening statement in the Largo beautifully muted and inward in feeling. There were some eloquent moments later in this movement, though in the finale Mr. Lill again grew too vehement.

If Bartók's divertimento made a more homogeneous impression, that was not just because it is for strings alone, or because I had changed seats, for it was a well integrated performance. Mr. Snell's feeling for the ebb and flow of the opening movement was, indeed, impressive. The suppressed energy of the bitter-sweet central movement was excellently conveyed also, as was the rhythmic drive of the finale, in which Bartók lets that energy right off the leash.

London Schubert
St John's, Smith
Square

Thomas Walker

Looking down the vast list of events in the Liszt Festival of London (19 down, 14 to go) I cannot help wondering how many of the groups involved discover their participation in it only on arriving for work. That was, I suspect, true of Friday's early evening concert at St John's, Smith Square, a programme mostly of Mozart, with Brian Brockless conducting a group of professional musicians under the title of London Schubert Orchestra.

Even the Liszt was Mozart: a version for two pianos of the Don Juan paraphrase, played by prizewinners in the 1976 British Liszt piano competition, Martin Roscoe and Peter Donohoe.

To describe opera arrangements as an unjustly neglected repertoire is contentious and, in my view, an understatement. In their own time such pieces loomed a great deal larger than much that survives as standard concert fare. But, perhaps more important, the best of them, at least the best of Liszt's, have a musical substance which, while arguably derivative, elevates them far beyond the level of hack work.

The Don Juan paraphrase prearranged by the nineteenth-century vision of Mozart's opera that could by no other means be as vividly resurrected: the demonic is transcendent, with the music of and about Don Giovanni at centre stage.

If virtuosity abounds, it never is merely self-serving. Messrs Donohoe and Roscoe gave a shapely enough account, with most of the fleetness well in place. There was much, however, that seemed raw, doubtless accentuated by the acoustics of the former sanctuary, not an ideal environment for this music.

Earlier they contributed a rather listless performance of Mozart's concerto in E flat for two pianos, K365. Mr. Brockless ended the evening with a reading of Symphony No 33 in B flat that was as smooth and heavy as the apple crumble served in the crypt at St John's.

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(Michael Billington, Guardian)

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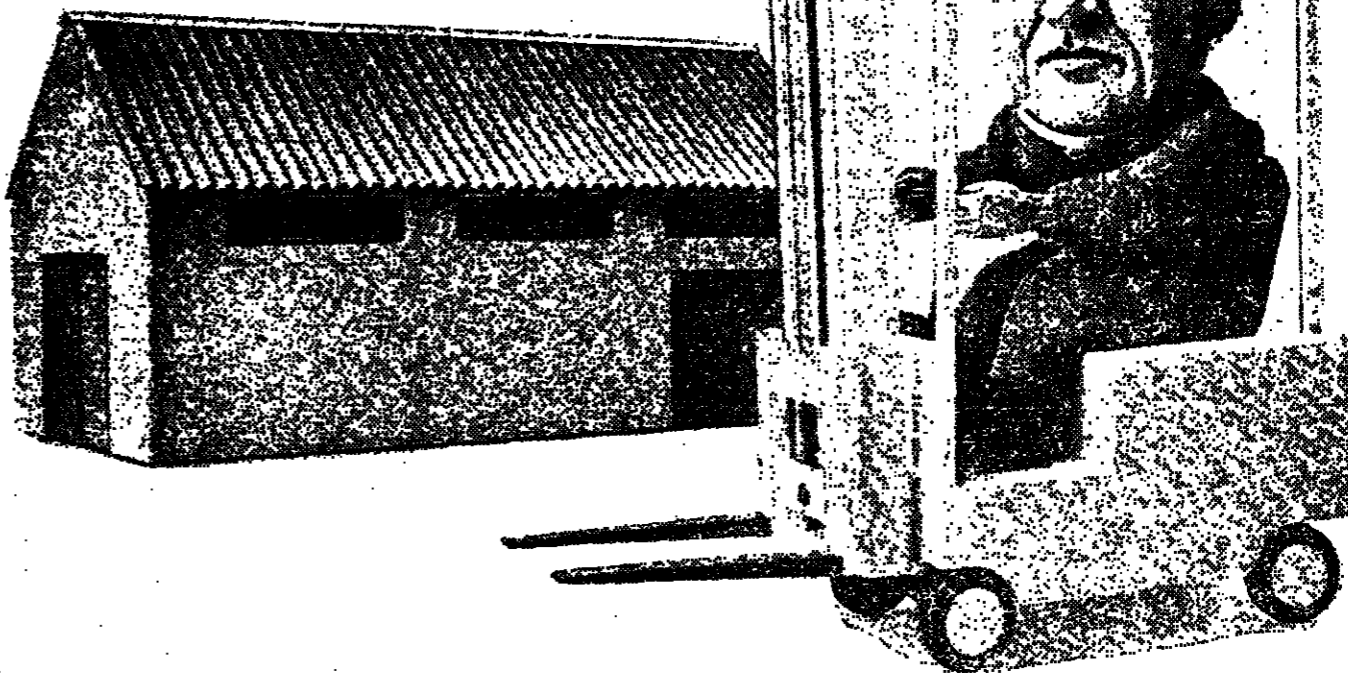
Which one costs industry the most?

ALL OUT

Strikes?



Storage and materials handling?



Of course, it's a trick question, but the answer is nonetheless surprising.

Some gloomy facts.

In 1976, strikes on British production lines cost less than £200 million in lost output.

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The Tory conference
should be more than a
chorus of approval



It would not be fair to attach too

path trodden by Mr Ward. But it is precisely in cases of this kind, in which both sides discern a major issue of principle at stake, that the trial of an otherwise insignificant dispute where the unions set most store by gaining their point.

There is much to be said for a framework of law which can provide a resolution to industrial disputes when reconciliation fails, much more than there is even normal, in countries similar to our own but, since 1974, it has generally been accepted as a political impossibility here. Both sides lose as well as gain from such a system, and it would be hard to doubt lay down means of establishing whether a body of workers should have union representation, and, if so, for making sure that they did.

But Acas embodies an opposite approach. It works with both influence and force, whatever credit it has been able to gain from both sides as a fair mediator. Unlike the Department of Employment, which used to do similar work, it has no axe of official policy to grind. Its work has great value. But a change of the kind Mr Booth referred to would destroy its credit more drastically than any Lord of the Lords judgment. A power to pursue a recalcitrant employer (or unionist) through the courts—perhaps enabling him to make a martyr of himself by choosing prison as the five London dockers did when they defied the Industrial Relations Court—would fundamentally affect Acas's nature and usefulness. A body with such powers might well replace a more powerful trade disputes were legally regulated: it would be jarring and self-destructive in a system like ours.

The sudden dismissal of the number of speeches by mem- was General Joao Ba

was General Joao Batista Figueiredo, the head of the military services, who is said to be a candidate for the presidential succession and is often regarded as General Geisel's man. General Figueiredo is less of a hard-liner than General Frota by all accounts, though hardly an outspoken liberal; his claim is to be acceptable both to the moderates and to the hard-liners. But he suffers from the fact that he is relatively low in the Army hierarchy, and that he became known as the force behind the generals who see this as a step towards removing the Army as much from control of the country.

What is unusual is that in the course of the manoeuvring over the choice of the next President, still some way off, so much of the debate is being conducted in the open. General Frota's

criticism of the Government, for not being anti-communist enough, was printed in the press, and so are criticisms from a more moderate point of view. Public opinion may not count for a great deal with the Brazilian regime, but it does have its influence, and opposing views are being aired in an unusually open way. The question for the future is whether Brazil is going to move farther in that direction, or if the military leaders will decide that things have gone too far, and try to clamp down again.

Now the conferences of the three

hope to win an overwhelming majority for socialism. He has 12 of 13 Liberal MPs in his pocket. Although again only temporarily, and on conditions that may alter as Liberals watch their own electoral interest. He has the bigger trade union leaders, weakening in their support, their retirement, giving him support at the risk of opening up gaps between themselves and factory shop stewards. He has an economy financially on the upturn, although the industrial recovery has not even begun. North Sea oil gives him the character of a "forty-niner" who struck it rich.

On the other side of the balance sheet is the doubt whether one special case after another, and one militant strike after another will

not destroy the 10 per cent limit on pay increases, restart an inflationary spiral, and make giveaway Budgets impossible, but to ensure a tolerable high unemployment figures that may go on rising towards two million. He is in the contradictory position of arguing that all goes well under Labour but that the only way to ensure that it will be resisted and that the people must tighten their belts until the promised land is arrived at. If Mr Callaghan, in a Micawber spirit, tries to hold on till October, 1978, the Prime Minister will be in a bind. Among other things, the Prime Minister will be at hazard from an opposition leader who grows in strength and political skill when he has reached the limit of growth. I have written this for you in my personal note. I have tended my last series of party conferences as Political Editor of *The Times*, and now turn attention to Europe. Before we turn to Europe, we have to breathe and share some of the same formative influences, including, in widely varying degrees the example, if her father, Mrs Thatcher's closing rally speech in Blackpool was anything like the one I have just given or a political observer who is somewhat cynical thought to err towards cynicism. Nobody in politics makes or could make such a speech without some kind of sense of the scale of the deal with a vital skill and sense of timing that surpassed anything he had done before and came near to perfection. I would not have chosen to leave Westminster, politicians on the contrary, are satisfying conjuncting past, present, and future.

From Mr C. A. Conyns Carr
Sir Sir Martin Balaie

Sir, Shirley Williams seeks the "diffusion of power" but Ronald

But reporting her (October 6) asks "how do you debureaucratise without more bureaucracy to do it?"

First by rejecting the claim by big institutions that public and private, that state and public, can deliver everything and penetrate everywhere. Despite what most of them say, they have a natural limit, fixed by size and character, and by their capacity to produce, serve and give job satisfaction.

Second by reorganizing the economic scene: the value of the informal economy, the small business, the independent professional firms, the self employed, part timers and subcontractors, most of whom operate in the interstices of the formal

In a healthy society these two sectors sustain each other and their relationship is *symbiotic*. The institutional sector dominates economically and politically, but the informal sector is essential, not parasitic or residual. This dual economy has characterized urban society throughout history. In future the informal sector may have a bigger role to play for we have to invent new ways of working geared to a shorter working week, the reduction of "structural" unemployment, still less labour intensive modes of production, and a greater call on personal and professional services. As the new forces need rethinking many of our social, economic and political concepts. How best do we harness the capacity of small teams?

Above all it needs a determined political will to bring about the essential changes in large institutions and a change in their work style to make them more responsive to forces from outside. The civil service, local government and the industrial mammoths have to learn how to become better managers, and supervisors. As the changes will appreciate the wisdom of hiring many of the specialist services they need from the indepen-

From Mr Graeme Shankland dent. professionals rather t

dent professionals rather than building up "in house" bureaucracies charged with the task of debureaucratization.
Yours faithfully,
GRAEME SHANKLAND.
Shankland Cox Partnership,
16 Bedford Square, WC1.
October 10.

From Mrs Mary Large
Sir, Last week I sat listening, along with four hundred other farmers, to Sir Henry Plumb, President of the Common Market, talking about top transitional development of British agriculture in the Common Market.
I was listening to a realisation that the tale (a well-told tale) of endless negotiations with tiers of indecision and delay by the government, the multi-national corporations and the other big modern institutions. Most units are too big and too verbose. I am not in favour of the Common Market's agricultural Policies nor because I am against cooperation and internationalism but because it takes officials in Brussels 25,911 words to say what can be said in 259 words in eggs and egg products. The ten commandments have 297 words. I think the greatest need now is to get the

Meanwhile the domestic issue between the consumers and the farmers should be resolved: in the short-term the green pound keeps the price of food down but if it is to be a permanent feature of agriculture entirely then the consumer will be at the mercy of other countries' surpluses or shortages. Food will not be so fresh and surely no one wants a derelict countryside. Even if we had to buy other countries' goods and food at the expense of our payments it seems reasonable to aim to keep on producing at least half our food in this country. On the other hand farmers could produce more and save imports.

Yours faithfully,
MARY LARGÉ,
Grange Farm,
North Hykeham,
near Lincoln.

From Mr Patrick Beesly
Sir, Last night's Panorama

convoys than by so-called "Hunter/Killer" groups or air patrols operat-

Methods of tracking and detecting the submarines have, no doubt, improved out of recognition since then, but so also have the evasive powers of the submarines. The Admiralty Commander in Chief admitted that it was impossible to know where every Russian submarine was in peacetime. How then are they to be sought out and destroyed under the actual conditions of war?

We all but lost World War I through our blind refusal to adopt the American convoy system. The system, more than any other single factor, defeated the U-boats in 1943.

To me, it is incomprehensible that misguided adherents of the so-called "offensive" school are yet again ignoring the most vital and enduring lesson of maritime history. Yours faithfully,

PATRICK BEESLY,
8 Nelson Place,
Lyndington,
Hampshire.
October 11.

**From Mr Anthony Ker
for Stroud (Conservative)**

As deputy head of the Admiralty's Submarine Tracking Room in World War II I had first hand experience of the difficulties of pin-pointing the position of German U-boats and of the failure of almost all efforts to find the enemy except in the immediate vicinity of convoys. Statistics prove, however, that the losses in the worst conditions, not only were ships in convoy infinitely safer than those sailing independently, but that far more U-boats were sunk by the surface and air escorts of

From Brigadier Barbara Gore
Sir, I have recently returned

parks and reserves and the care of the wildlife preserved by their efforts. They are as concerned by the slaughter and possible extermination of a rare species as are the visitors. However, they are hampered by a shortage of staff, the vastness of the area to be covered, 8,000 square miles in Tsavo alone, and the lack of modern adequate facilities with which to combat such an immense problem.

There is only one helicopter to cover Tsavo and Amboseli. Is it beyond the power of present day civilization to preserve a species of wildlife which has survived for thousands of years and is one of the pride of a breed which have enthralled travellers and visitors to Africa for years? The only sad memory one carries away from a visit such as I have just made is the realization of one rhino standing at a water hole, realizing that only ten years ago he might have been one of hundreds.

If the export of rhino horn is stopped, the economy of Kenya, surely it might be possible to remove a piece of the horn by humane methods thus ensuring that the animal survives and the horn continues to grow. The present method of killing the gosse which lays the fertile egg.

M. BARBARA M. GORDON,
31 Hepburn Gardens,
St Andrews,
Scotland.

October 7

**From the Leader of the Great
London Council**

In Tsavo Maasai country, as was formed by the Game Warden and his staff, but in 1965 it was estimated there were some 5,000 black rhino. Today the numbers have been reduced to a few hundred. In Amboseli Game Reserve—once said to be famous for its herds of game rhino—I was informed by the game department staff that the number can be counted on the finger of one hand. The alarming decrease is due not to drought but to poachers. The week before we arrived in Tsavo West, five rhinos had been found shot. While we were actually in Tsavo East, two freshly killed bodies were found.

In no way do I wish to criticize the work of the staff of the various organizations in Kenya who are involved with the running of these

From the Director of She
Sir, You quote Reg Free

The role of academics

From the Vice-Chancellor of the University of Southampton
Sir, I have neither seen nor read your letter of the 12th and cannot therefore express any opinion on its merits. All I would say is that it does seem to me that it will become Sir David Napley (letters, October 1962) to complain about the press and the public, who has aroused since this has been due entirely to what has appeared to the press to be an attempt by the leaders of the practising legal profession to prevent its publication.
It is, however, correct Sir David's extraordinary contention that academics are appointed solely for the task of "teaching undergraduates those matters which they have paid their fees to learn". This is not one of their tasks, the other being to undertake research. Their contracts require them to undertake it and, as governmental committees are constantly reminding me, it is vital that they do this. If not, the research undertaken by British industry, commerce and the professions, if the contemptuous attitude of the immediate Past President of the Society of Legal Education, and the leaders of the legal profession, the reason their record is particularly lamentable is all too apparent.
Yours faithfully,
J. B. GOWER,
Vice-Chancellor,
The University,
Southampton.
October 13.

provocation

From Mr Tom Stoppard
Sir, I would be grateful if

From Mr Peter Thompson
Sir. The most surprising

From Mrs Noel Fisher
Sir, Does the majori

From Mrs Ruth Winawer
Sir, Would you agree th

The way to stop this continual shrinking of free speech

What disturbance of public order should society be prepared to risk, tolerate, or suppress, to uphold free speech and assembly? This question has been sharply posed by several local councils' decisions, following the violence at Lewisham and Ladywood, to put a temporary ban on political meetings in public halls; and in the case of Tameside council, a ban on marches as well.

This growing inability, or unwillingness, of ordinary law to cope with political violence foreshadows a further shrinking of the freedom to say "distasteful, unacceptable, provocative, outrageous things" (as Lord Brooke of Cunnor once put it).

The groundwork for this has been laid by growing acceptance—as the Labour Party conference debate showed—of three, closely connected, propositions: that certain opinions are wicked, and should be denied a platform; that when disturbances arise at political rallies, it is the organizers of the rallies rather than their opponents who are to blame; and that the best way to deal with such disturbances is to prevent the occasions which may give rise to them. Before being hustled out of our liberties, we should look very closely at these arguments.

Let us take the first one. It is argued that the unpleasant

character of the National Front's policies should be sufficient ground for denying facilities for their propagation. There is no warrant for such a view in our political or legal tradition.

The classic liberal statement is, of course, John Stuart Mill's: "If all mankind minus one were of one opinion, and only one person were of the contrary opinion, mankind would be no more justified in silencing that one person, than he, if he had the power, would be justified in silencing mankind."

Practice has not lived up to this ideal. Nevertheless, the British tradition has been that speech was free unless public safety or public order was involved. And even where public order was at issue, limitations were applied to language rather than to opinions. Thus, in the interests of public order, it is an offence to use, in public, threatening, abusive, or insulting words or behaviour; or to incite to racial hatred.

The growing attempt to widen political censorship from language to opinion has arisen, I think from five main causes. First, the spread of democracy has made certain opinions (particularly extremist ones) offensive to popular sentiment. Secondly, the growth of the social sciences has made certain types of discourse seem

disreputable, because "irrational". Thirdly, recent history has shown that words can kill. Fourthly, large-scale population movements have created insecure and vulnerable minorities who feel they need explicit protection.

Finally, because self-control is now less highly valued than self-expression, there is less disposition to keep calm in face of provocation. As a result, various opinions have come to be treated by important groups as intolerable, thus the call to ban them.

This should be strongly resisted, even if it means defending the right of politicians we find repulsive to advocate policies we find repulsive. Why? First, that right is part of what we mean by a free society. Secondly, rights withdrawn from one group can easily be withdrawn from others. Thirdly, any society needs the challenge of extreme, even offensive, opinions.

It is often the extremist who triggers off the argument which leads to a creative response to a genuine problem. Exclusive emphasis on peace and consensus obscures this important fact.

If certain opinions are wicked, it follows reasonably enough that those individuals or organizations putting them forward are themselves to blame for any disturbances

which result. This view has steadily been gaining ground. Yet again there is no real warrant for it in our legal tradition.

The traditional view, that a lawful act cannot be prevented on the mere ground that it is likely to lead to a breach of the peace, received its classic statement in the famous case of *Beatty versus Gillbanks* (1882). Beatty, the leader of the Salvation Army in Weston-super-Mare, was appealing against a conviction for unlawful and tumultuous assembly.

After a number of clashes between the Salvation Army and a rival group (curiously named the Skeleton Army), the magistrates banned all further processions. Beatty ignored the ban, marched, was arrested, convicted, and bound over to keep the peace. On appeal, his counsel, Edward Clarke, argued that an unlawful assembly was "an assembly of persons with intent to do an unlawful act, or to do a lawful act in a tumultuous way, or so as to excite public terror".

Beatty's procession fell into neither of these categories; it certainly did not become unlawful merely because people opposed to it intended to commit unlawful acts. Rejecting opposing counsel's argument that, by persisting in trying to force a passage against opposition, the Salvation Army

leaders "though not themselves guilty of any riotous and tumultuous acts...were themselves the cause of them".

Mr Justice Field stated that there was no authority for holding that "a man can be convicted of a lawful act if he knows that his doing it may cause others to do an unlawful act". As the constitutional expert A. V. Dicey put it: "The plain principle is that a man's right to walk down the high street cannot be diminished by B's threat to knock him down."

At one point, Field asked Clarke: "Suppose the appellants knew that their procession would be opposed, and that violence might probably ensue, and they still proceeded with it?" Clarke replied: "The answer to that is that their procession being lawful they were entitled to be and ought to have been protected by the authorities from such opposition."

"If it were not so, mob rule would soon take the place of law and order. It is disorderly rowdies and riotous roughs whom the police should put down, and not lawful and peaceable processions." However, an equally famous case, *Wise versus Dunning* (1901), significantly qualified the earlier judgment. A Protestant pastor, George Wise, was in the habit of holding meet-

ings in Liverpool's Islington Square, during which he called Catholics "radicals", put beads round his neck, and waved a crucifix over his head.

After Catholics had rushed or stoned the platform several times, the police asked Mr Wise to stop holding meetings. When he nevertheless tried to address an angry crowd, he was charged and convicted of unlawful assembly. On appeal, his counsel, the young F. E. Smith, argued that the decision in *Beatty versus Gillbanks* applied to this case. However, opposing counsel argued that the actions of the Catholics were the "natural consequence of the insulting expressions which he used towards them", and he must be taken to have intended that consequence.

This argument was accepted by the three judges in disallowing the appeal. Mr Justice Darling remarked: "I think the natural consequence of this 'crusader's' eloquence has been to produce illegal acts." The question was one of "facts and evidence".

Thus the "limit of human endurance" argument had made its appearance. This reflected the atmosphere at the time of the Boer War, when "patriotic" roughs were given a more or less free hand to break up "provocative" anti-war meetings. (C. P. Trevelyan strongly objected to this

license at the time. "It is of no importance whether we approve or not of the right to express them and the law must defend them".)

Nevertheless, after *Wise versus Dunning*, the traditional principle that meetings or marches could not be prevented just because they would be violently opposed still stood, except in those cases where violent opposition could be shown to be a "natural consequence" of things which had been said, or were likely to be said, by their organizers.

However, the matter has not rested there. The view that certain opinions are wicked, and therefore opponents are justified in denying them a platform, has naturally led to the third proposition: that the best way to stop disorder is to ban occasions likely to cause disturbances. This reasoning clearly underlies section 3 of the Public Order Act of 1936. By making possible the banning of processions on the sole ground of a threat to public order, it deliberately rejects both the obligation to act against impending or actual disturbances, and the *Beatty versus Gillbanks* and that inquiry into the intentions of the organizers of the assemblies enjoined by *Wise versus Dunning*.

Similarly, owners of public and private halls have tended to deny them to groups whose meetings are liable to be attacked without inquiring into "facts and evidence". Thus the right of free speech and assembly for particular individuals and groups is likely to be withdrawn the moment when it needs to be defended. We buy peace at the price of liberty.

What then should our attitude be? If we deny the validity of the first two propositions, we are led logically to reject the current approach to the problem of free speech and public order. Ideally, the right of free speech and procession should be guaranteed to any lawful body intending to exercise its lawful rights.

In the real world, this will not always be possible. In particular, it is more difficult to justify the right of procession than the right of free speech. The threats to public order which marches pose can

become very severe; they are not a means of persuasion or argument; finally, any legal judgment on the lawfulness of a disputed march is likely to be unsatisfactory: the National Front's marches, like those of the fascists in the 1930s, are intended both to persuade some and provoke or frighten others.

However, if the traditions of free speech are to be increasingly limited on security grounds, some alternative means of publicity must be allowed small groups. Newspaper editors and television and radio producers should perhaps accept an obligation to give reasons and coverage to the right of access to minor party meetings. It is also essential that public or technically private should normally be available for letting for public meetings.

In difficult cases, the relevant authorities should make real, not just perceived, inquiries into "facts and evidence". The mere intention of a counter-demonstration, or a counter-demonstration, should not be sufficient ground for denying an application.

No doubt applications will occasionally have to be turned down. But in general the authorities should display more of the robust attitude recommended by Baron Alderson in 1839. Upholding the right of magistrates to prevent meetings "which, in the opinion of the magistrates, are likely to be dangerous to the peace of the neighbourhood" was not, he said, to say that the magistrates were "persons of reasonable firmness, and courage". It is good advice today.

Robert Skidelsky

Desert hijack: a birthday cake for 'Anna Maria' adds to the fantasy

Dubai, Oct 16

There was something unpleasantly theatrical about the Lufthansa Boeing 737 in the early hours today as it squatted in the darkness at the end of the runway. Almost two miles down the airstrip, the lights of Dubai's surreal white concrete and glass terminal glowed gold in the hot night while the big jets still took off eastwards over the gulf, racing with their wing lights flashing just above the hijacked plane. It was as if it was only parked empty for the night on the sand, the victim of one of these technical faults that provoke passengers in the departure lounge.

It lay only 200 yards from the main road and in the darkness you could not at first see the emirates soldiers lying on their bellies at the top of the sand dune, their rifles beside them, between the road and the plane. But the hi-jackers' deadline was only 12 hours away and it seemed that most people were preparing for a spectacle of some kind.

Just across the road from the sand dune was an unfinished office block—a building so close to the desert that sand had already crept on to the inside stairway—and on the humid roof sat batteries of television crews, their cameras all pointed into the darkness, the green and yellow running lights beneath the miniature television screens winking occasionally. Wires and umbrellas led along the stairs to a generator outside, while a sound man at the end of one balcony, his earphones connected to a microphone that actually lay only a few feet from the wheels of the hijacked plane, listened to the noise of the cabin door as it opened and shut.

The fuselage was in darkness and you could see nothing of the passengers inside. Whether they could see the television crews awaiting their fate was uncertain, but the potential victims could hardly have been asleep. The aircraft's power had given out and the conditions had collapsed more than an hour before. At 3.45 am the humidity and heat on the roof were so intense that condensation was running in rivulets down the raincoats of the photographers and camera crew. One did not like to imagine what it must have been like inside the plane.

Now, and then, a vehicle would approach the machine, its headlights spreading for a moment over the fuselage and blue-painted tail as it bumped over the sand. A mechanic walked towards the plane and offered the hijackers a generator to run their power system and lamp to place on the ground. A figure appeared at the door of the passenger cabin and the sound man from

Emirates' television listen emballed behind his camera. If you pressed your ear to his headset, you could hear the conversation. It was high-pitched and frightened but still somehow unreal, a badly scripted film. The hijacker spoke in English with a German accent. "I've got you already," his voice crackled down the line into the headset. "Don't come any closer. If you don't stop I'll shoot."

The line popped and hissed and some of the conversation was lost until we heard a gunshot. A warning, the approaching mechanic said. "That's not good for you. The mechanic retreated."

Not long afterwards an ambulance drove up the runway and stopped with the headlights shining the cockpit. Two men walked towards the plane. The hijacker said: "I want to see the figures who had come to the aid of the lives of the young and children and the sick. I want to see the power had cut communications with the control tower. The two men shouted through bullhorns.

The hijacker at the door of the Major spoke in Arabic this time. The guard of the hijacked plane was a guard of the hijacked plane. The hijacker said: "I want to see the figures who had come to the aid of the lives of the young and children and the sick. I want to see the power had cut communications with the control tower. The two men shouted through bullhorns."

In the control tower, a circular drum-shaped object supported by a curved pillar the hijacker said: "I want to see the figures who had come to the aid of the lives of the young and children and the sick. I want to see the power had cut communications with the control tower. The two men shouted through bullhorns."

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Not that the man from the magazine would have worried if it had occurred after nightfall. For through the hours of darkness, he could watch the plane through a camera "night-vision" lens that transformed the hijacker's face into a bright green light in a pale, green light that took the potentially tragic drama even further into fantasy.

Robert Fisk

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Business
book
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page 20

EEC proposals to ease crisis in shipbuilding ready soon

By Peter Hill
Industrial Correspondent

Details of the latest policy proposals to tackle the crisis in shipbuilding are being prepared by the European Commission and should be made public within a fortnight.

They will embrace both a new directive on shipbuilding aids and an outline plan for restructuring, which has been produced by the Commission's industrial policy directorate under the supervision of Viscount Etienne Davignon, the Commissioner for Industry.

The existing directive—the third—was introduced three years ago and expires at the end of this year. At the time of its introduction the industry was booming and order books were bulging.

But even then it was recognized that a crisis was on the way, as a result of substantial cutbacks in demand for new ships which in turn had led to worldwide over-capacity.

Under the present directive, considerable emphasis is placed on reducing state aid to Community shipyards. But the collapse in demand has led virtually every shipbuilding nation to introduce aid schemes to bolster shaky shipyards.

The latest directive is expected to make provisions for the various crisis measures now in operation to be incorporated within a new legal framework. Meanwhile, considerable interest is focused on which Viscount Davignon's officials have been working. But government officials in member states have so far had little indication of the measures likely to emerge.

It is widely expected, nevertheless, that the emphasis will be on tighter control of state assistance, closely linked to conditions for the construction and reshaping of the industry.

This policy would be in line with those already unveiled for coping with the similar problems of Europe's steel industry. The Commission has emphasized in the case of steel that



Viscount Etienne Davignon: questions on Polish deal.

no Community funds would be available for any project which increased capacity.

But the shipbuilding plan will almost certainly experience strong opposition, particularly from West Germany and Denmark, which have consistently opposed policies involving intervention.

Britain, whose £65m intervention fund established earlier this year to provide subsidies to close the price gap between British and foreign prices, could face a rattle with the Commission over the terms of the proposed £115m Anglo-Polish shipbuilding deal.

All contracts which receive subsidy aid from the fund are subject to the Commission's scrutiny. The Polish package is expected to attract a subsidy of about £28m, and Viscount Davignon has indicated that his office will be asking some searching questions on the terms before it is approved by Brussels.

Further negotiations on the Polish order are unlikely to be completed before the end of this month, although there were hopes that some progress could have been made on financing terms last week.

Government urged to renegotiate IMF pact

By David Blake
Economics Correspondent

Britain's terms with the International Monetary Fund for next year should be renegotiated to allow a much bigger expansion of domestic credit, a larger public deficit and a faster increase in money supply, unless the Government is willing to let the pound float upwards, according to the London Business School.

In the latest edition of its Economic Outlook, the School's Centre for Economic Forecasting suggests that the right targets for the fiscal year 1978-79 are £3,000m for domestic credit expansion, £3,000m to £3,500m for public borrowing, and an increase in the money supply of 16 per cent.

Under the present terms agreed with the Fund, DCE is expected to be £5,000m and the PSBR £8,500m during the next financial year.

A team from the IMF is coming to London in late November to discuss among other things, possible changes in these targets. No agreement on growth of the money supply has been reached with the Fund, but the LBS suggestion would involve significantly faster growth than the 9 to 13 per cent range aimed at for this year.

The joint authors of the study, Mr Alan Budd and Mr Terry Burns, have for some months advocated that sterling should be floated. They say that the Government has clearly decided not to let sterling go up and that in consequence the very tight monetary targets currently being observed are reducing output rather than inflation.

They suggest that the Government ought to reconsider its whole approach to running the economy. It should set medium-term targets for such things as inflation and growth, then work out the appropriate growth in money supply and domestic credit.

Economic forecasts, page 18.

Boost for imports to reduce mounting trade surplus

Tokyo pledges support for the dollar

Tokyo, Oct 16.—Japanese monetary authorities are ready to defend the yen at 250 to the dollar "at any price", according to officials here.

Government and Bank of Japan leaders have decided to counter possible speculative buying of the yen on the Tokyo money market by directly intervening with active support buying of the dollar to keep it from plunging below the 250 level.

They share the view that the yen has gone "too far above normal value" over the past two weeks.

It is generally believed that the break-even point of the export prices of Japanese

goods is set on the assumption that one dollar will buy 240 yen.

The Bank of Japan is understood to have bought about \$300m on Friday to prevent further depreciation of the Japanese currency on the money market.

The yen rose to its all-time postwar high of 253 to the dollar. The governments and central banks of Japan, West Germany and Switzerland, increasingly dissatisfied with the American attitude of letting the dollar float freely, intend to step up efforts to coordinate action against speculative attacks on their currencies, they said—Agence France Presse.

Pressure on yen: Japan is to cut back its

mounting trade surplus by about \$700m (£400m) by the end of this year in an effort to ease international pressure on the yen, government sources said at the weekend. The plan follows the latest instruction by Mr Fukuda, the Prime Minister, to cabinet ministers to expedite measures to raise the level of imports.

Mr Fukuda said he would detail the emergency measures to reduce Japan's trade surplus as soon as possible. "The amount of emergency imports will be announced as soon as it is decided", he told the House of Representatives Budget Committee.—AP-Dow Jones.

Dr Burns airs doubt on money supply figures

From Our United States
Economics Correspondent

Washington, Oct 16

Dr Arthur Burns, chairman of the Federal Reserve system, has cast doubt on the reliability of the Fed's money supply statistics.

His concern on this front may play an important role in influencing the decisions reached by the Fed's open market committee at its Tuesday meeting.

Dr Burns told a small group of British merchant bankers that he believed the money supply figures had been narrowly manipulated on the basis of the Fed's own market committee.

He told them, along with several groups of American bankers in recent private conversations, that he was convinced that the broader indicators of the money supply were more accurate than the narrow M1 measure.

The money supply has increased sharply in recent months, and most bankers expect the Fed's committee to decide upon a further round of credit-tightening at its meeting. But bankers stress that the extent of the tightening may well depend on the weight attached by the committee to the M1 figures.

M1, which consists of currency in circulation plus demand deposits, has been expanding rapidly since the annual rate rose 3 to 4 percentage points above the Fed's declared target ceiling of 6.5 per cent.

If the committee decides to attach considerable importance to the M1 figures, it has to do in the past—has it will almost certainly have to agree to a considerable tightening of its monetary policies.

However, both M2 and M3

have exceeded the Fed's ceiling target growth levels by about 1 to 2 percentage points in recent months, and heavy reliance on these figures by the committee might result in only some moderate further tightening of credit policies.

M2 consists of M1 plus deposits at commercial banks, other than large certificates of deposit, while M3 consists of M2, plus deposits in savings institutions.

Dr Burns has stressed in private conversations with bankers that changes in financial techniques and in market conditions have increasingly tended to make M1 an unreliable guide to the underlying rate of money growth.

He has made similar points in public over the last couple of years, although he is now said to be more convinced than ever of this fact.

M2 and M3 are seen as more accurate guides because of the increasing use of telephone transfers of cash from current to savings accounts.

Other factors of wider use of overdrafts by the general public, and because both individuals and businesses appear to be making greater use of savings accounts and so maintaining lower general balances on current accounts.

The open market committee meets behind closed doors and the public release of the minutes of Tuesday's meeting will not be made available by the Fed until next month.

However, the committee does set operating instructions for the money markets, and thus agreements to tighten policies may well be reflected later this week in increases in the rates for Federal funds.

Nigeria cuts crude price to keep sales

By Our Energy Correspondent

Another big oil-producing country has been forced by the world price of crude to offer discounts in an attempt to stop its production declining further.

Nigeria is offering a 10 to 15 cents a barrel rebate to companies that guarantee to lift all the crude specified under contracts with the state oil company, according to the magazine Petroleum Intelligence Weekly (PIW).

Discounts of this size could eventually have repercussions for North Sea oil prices, which are used as a guide to offer discounts in Nigeria, Algeria and Libya.

So far Algeria and Libya have said they will stick by their official prices. Since the world surplus of crude emerged earlier this year, oil prices have declined by about 30 to 50 cents a barrel and industry sources say they would certainly go lower still.

PIW says the rebates are a response to a 200,000 barrels a day drop in production to two million barrels a day in July and August. Since then that situation has deteriorated and contracts for a further 200,000 barrels a day may not be renewed and another 200,000 barrels a day are in jeopardy.

BNOC seeking North Sea stake in Hamilton

By Roger Vielvoys

Department of Energy officials and the British National Oil Corporation are seeking a majority holding for the state in the Hamilton Brothers North Sea consortium.

The only group with a commercial oilfield that has so far escaped the participation net. The decision to start negotiations with the group represents a change of tactics by the department and the state company. Previous policy had been to acquire Hamilton Brothers' Argill field was too small to warrant the time and effort involved in negotiating and signing a participation pact.

But Hamilton Brothers also has two other potentially commercial oilfields—Crawford and Bruce—further north. The Government is seeking a deal that would give them participation in the future development of these and a stake in the existing Argill field.

Hamilton Brothers, which heads a consortium of Rio Alentejo, Texaco, Blackfriars Oil and Transocean, has suffered setbacks with the Argill field after producing from it the first oil from the British sector of the North Sea.

Water has encroached on the field, which is 22 miles east of Dunbar. This has forced the group to reassess the recoverable reserves at 10 to 12 million barrels fewer than the original estimate of 35 million barrels.

Some of this deficit is being made good by a new well drilled close to the main field which will produce an extra 5,000 barrels a day when it is hooked into the production system later this year.

American oil imports might be between 12 million and 13 million barrels a day by 1985, twice as high as the target set by the President's Council on General Accounting Office, disclosed in a letter to Congress.

It is the second time that the GAO, a congressional research agency, has questioned President Carter's objective of reducing oil imports from their present nine million barrels a day to six million barrels a day by 1985.

In a report last July it suggested that the United States would have to increase imports to 10.3 million barrels a day by the middle of the 1980s.

Further analysis makes the situation look even worse, and imports will probably hit 12 million or 13 million barrels daily by 1985.

Public investment and ownership were critical parts of the recovery of a society whose living standards and public service rested upon manufacturers.

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Oil 'mask' warning by Mr Benn

By Mr Wedgwood Benn, Secretary of State for Energy, gave warning yesterday that North Sea Oil could be "a mask which conceals the decline of our economy".

He told delegates to the annual conference of the London Co-operative Society's Political Committee: "Don't think it will necessarily solve our problem."

Britain, Mr Benn said, was in a process of de-industrialization and it was essential that the revenue from oil should be used for rearmament in industry.

"I have seen industry after industry in this country upon which our living standards rest going down because of the lack of investment", he said. "I have seen it in shipbuilding, aircraft, machine tools, the motor industry, motor cycles and electronics."

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BY THE FINANCIAL EDITOR

An equity gap for private companies?

There are an estimated 1.25 million private companies in Britain. Of these a mere 3,500 are presently on the books of the venture and development capital businesses as recipients of equity and loan capital. Any company which is not on the books of these bodies is effectively excluded from the capital market. The Prime Minister's Committee on Finance and Development, which is currently studying the problem, has concluded that there is a serious shortage of new risk capital for small companies. Since the stock market has effectively dried up as a source of finance for growing private companies, it is clear that all except a small handful of companies are left to finance their new equity capital requirements internally.

The question is whether they can do so without having to develop more slowly than they otherwise would if capital was more freely available. Many of the 1.25 million private companies are, of course, semi-defunct or have negligible capital requirements. But it is as true for private as for public companies that capacity to borrow to finance growth is critically dependent upon ability to increase capital. Banks are usually more concerned about security in the form of assets than simple gearing ratios, but nonetheless have tended to limit borrowings to the level of shareholders' funds.

And yet the development capital companies report real difficulty finding sufficient businesses with good potential to take up their money. This may partly be because the banks do not point their capital-hungry customers in the right direction, and in other cases small entrepreneurs are reluctant to dilute their equity and admit outsiders to their boards.

But these are not serious obstacles. ICFC, for instance, by far the biggest supplier of development capital, generally does not insist on a board appointment, and it is rare that any of the companies would want to take more than 30 per cent of equity, even in the case of "green field" ventures. The Group of Nine development capital companies, which excludes ICFC, told the Wilson Committee it had over £80m available for investment, and from all sources the available total could be £300m or more.

Some would-be customers will claim the companies are too demanding, but clearly they get a lot of approaches which are not serious and they say that companies with real prospects of, say, 10-15 per cent annual profit growth, should have no difficulty raising money. In the past year ICFC reckons that half the original proposals put to it have gone forward to completion, and by far the majority of failures have been because the customers themselves withdrew during negotiations.

If there is a problem it is for companies wanting only small amounts up to £75,000. ICFC still claims to be willing to go as low as £5,000 and Fresham Trust also invests quite small sums, but for many institutions amounts of less than £75,000 simply do not justify the costs.

More serious as a constraint, however, is the question of motivation. The real reason why the vast bulk of British private companies finance their equity purely out of retained earnings is because there is little real incentive to invest ambitiously. Beset by high marginal rates of income tax, capital gains and capital transfer tax and the threat of a wealth tax, there is no doubt that many small entrepreneurs opt for modest growth, complete control of their own business and a comfortable life at its expense rather than aggressive expansion at the cost of bringing in share capital from outside. There is no evidence that, for those with sound prospects and a determination to grow rapidly, there is any general shortage of equity finance.

Flows of funds

Finding a home for savings

Those who have noted with concern the concentration of financial resources into the hands of the big investing institutions will derive little comfort from new forecasts of their cash inflows up to 1985 from stockbrokers Wood Mackenzie. The cash flow available for investment of the funded pension schemes and the long-term insurance funds grew from £1,166m in 1966 to £5,398m last year. WM has already projected £6,300m this year, rising to £7,300m next year and £8,500m in 1979, and there-

after, assuming 10 per cent inflation and 3 per cent real growth, it now calculates progressive increases to a huge £19,800m by 1985.

For the economy at large this is by no means discouraging, however. The implication of a strong rise in long-term savings is that the personal sector will be in growing surplus and will be financing the deficits elsewhere in the economy. In part this will be reflected in a balance of payments surplus (that is, an overseas sector deficit) which WM projects at £5,000m by 1985.

It will also be absorbed in a public sector deficit, which WM thinks will be no greater than £10,000m thanks to restrictive policies and North Sea oil proceeds. Assuming some modest growth in the financial sector deficit, that leaves the company sector also persistently in deficit, perhaps to the tune of £4,000m by 1985, which could represent a significant rise in corporate investment.

The uncertainty, obviously, is whether Government would be encouraged by these circumstances to expand its own public spending programmes, but if not, the combination of a balance of payments surplus would clearly be an attractive prospect.

As far as markets are concerned, WM's assumptions about the public sector deficit imply that the supply of gilts will not rise in line with institutional resources and, even assuming a revival of the debenture market, the allocation of cash flow to fixed interest assets would seem likely to fall from present levels.

Little change is expected in the allocation to property, so a rising demand for equities seems probable, but WM thinks the supply of these—through rights issues and sales by the personal sector—will also fall below institutional cash flows. That must mean either rising equity prices or a search for new investments, possibly overseas. But from the foregoing it is easy to see why WM thinks the cash flows will underpin prices of equities, gilts and property.



● Holders of Kimphe's 8 per cent convertible unsecured loan stock 1992/97 will be meeting today and will almost certainly reject the offer of £55 per cent from Morrison Son & Jones, a subsidiary of Arthur Guinness whose joint chairman is Mr R. A. McNeill (above).

The offer represents an attempt by Guinness to tidy up the last remaining loose end of the successful takeover launched in January to protect its 21 per cent stake in the troubled advertising and marketing group.

The bid has been delayed because the stockholders' trustees feared the trust deeds had been breached and the last accounts from Kimphe seemed to confirm this. But the deeds allowed for a reasonable time for things to be sorted out. This was duly done and stockholders lost the chance of being repaid at par as a result of a breach.

Initially, the offer looked attractive enough but since the interest rates have fallen and the value of the stock has consequently risen well above £55, since the bid for Kimphe's equity has been successful stockholders can regard their holdings as equivalent to an Arthur Guinness stock, a much more attractive proposition.

Guinness stocks currently trade on a yield of around 11.75 per cent and that would give this stock a theoretical market value of £75. Allowing a discount for poor marketability it seems likely that a rejection today should push the price up to around £65 from its current level of £56.

After rejection Guinness will have to decide whether to make a further offer or simply live with the stock. The Takeover Code obligations have been fulfilled by this offer, so there will be no obligation upon Guinness to come again.

British Leyland, which will feature again this week when shop stewards discuss the change to a system of centralized bargaining, is like one of the nightmare sequences that everyone has had at some time or another. The Bad Thing behind always seems to get closer and yet the harder you try the slower your legs seem to move.

If the Transport and General Workers' Union shop stewards agree to become part of centralized bargaining, or if they refuse and there is some kind of revolt by their members against them, there will be much rejoicing in Whitehall and at the National Enterprise Board. It would certainly be a major step in the direction of sanity. It may seem unconstructive to therefore suggest in advance that, even if this happens, very little in the real world will have changed.

The nightmare has already lasted a decade. It started, of course, under the last Labour government. The repu-

tion of its instrument, the Industrial Reorganization Corporation, has undergone a considerable rehabilitation of late. (In passing it should be said that the next Conservative government will be committing a grave mistake which it will rapidly come to regret, if it abolishes the present NEB as cavalierly as it killed off the old IRC.)

But, of all the things it did, pushing through the merger of Leyland with the EEC must be counted its biggest mistake. It banked all on the ability of Lord Stokes to apply the successful techniques of Leyland. It is a matter of record that he failed.

He would say that a major reason was that Sir Arnold Weinstock's rapid and relatively ruthless reorganization of the British electrical industry meant that it was practically and socially impossible for him to do the same thing with the motor industry. The verdict of history is more likely to be that he underestimated the size of the problem of creating a competitive international car manufacturing group; and that his talents were more those

of a salesman than of a clear-headed and tough industrialist.

That, however, was one opportunity missed. Another was the Ryder Report and the effective nationalization of the near insolvent company. For the Ryder formula in effect set in concrete the inherent weaknesses of the original Leyland-BMC merger, namely that the problems of the mass car manufacturing operation dragged down other, more successful, or less unsuccessful, activities.

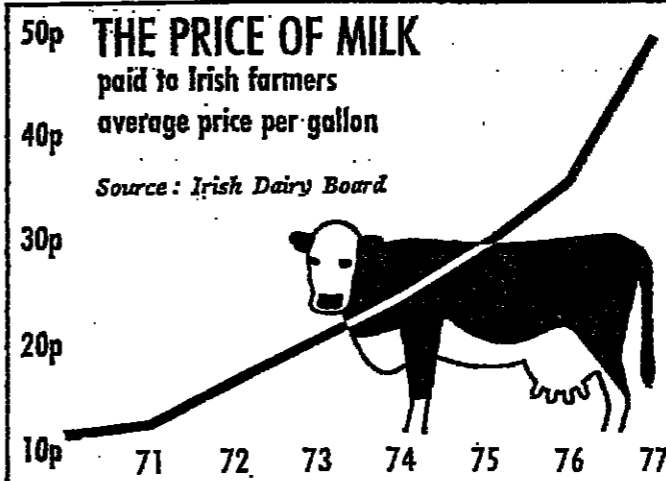
Because of the commitment to the hugely expensive programme for the new "Mini", the present threat that poor financial performance will only reduce the total amount of public money available for investment can only be a further depressant for buses and trucks and specialist cars. It is, however, no longer just a question of industrial relations. The goal has slipped further out of reach in the past two or three years. The terrible fact is that even if by some magic wave of the wand all Leyland's industrial relations problems were solved, all manning levels came down

to the right level overnight and continuous production became the unbroken pattern, British Leyland would still not be able to produce cars which compared in price or value with those of several of its major competitors. The reason is that the capital investment per employee has now fallen so far behind.

There are, therefore two constraints. First, whatever may be said in opposition, no government can let a company the size of British Leyland go into straight liquidation, because of the domino effects over such a wide area and because of the consequences for unemployment. Secondly, the NEB is never going to have the resources to bring the level of Leyland's capital employed up to that of the international competition across the whole spectrum of its activity.

One is increasingly forced to the conclusion, therefore, that sooner or later British Leyland will have to be broken down again into smaller units where the financial and managerial tasks to be faced could be reduced to more realistic proportions.

The grass grows greener for the Irish farmer



Source: Irish Dairy Board

quarter of the small population works on the land, the highest proportion in the EEC. The countryside is rural in a way that no other country in Europe is. It is like south-west Britain with a dash of north Devon.

Mr Thomas Cleary farms 135 acres, a large holding for a small farmer, in a quiet road in County Tipperary. He outlined one important difference between the agricultural economies of Britain and Ireland.

"Land is very dear in this country," he said, "it is almost twice as dear as it is with you. Not long ago £1,000 an acre was making headlines. At that price now it would have to be at the top of a mountain."

Later on, Mr Cleary said that a strong spirit in the summer average farmland prices have not yet reached £1,000 an acre.

The differences between the two agricultural economies can be seen in the fact that the Irish farmer speaks the same language as a similar farmer, look the same and live in a similar landscape with a similar climate. It is easy to assume that Ireland is just England with more space and less noise.

It would also be insulting to make that assumption. The Republic of Ireland is an agricultural country in a way that most of Britain has not been for more than 100 years. The last time the Irish farmer was an agriculturalist, it was in the early days of the Republic, when the whole island, in grass, the Republic is the only one of the nine EEC members in which cattle outnumber people. It has many more sheep than most other Community countries, including West Germany.

That is the structure of farming in the Irish Republic. It lacks the new forage crops and oilseeds which are being promoted hard in England. The main crop, without a doubt, is grass. Feeding of cattle on concentrates and conserved crops is more restricted than in Britain so that milk output fluctuates more widely between summer and winter.

The key to the prosperity of Irish farming lies in its strict adherence to the common agricultural policy. The main element of that adherence is to be found in the "green pound". The currencies of the Republic and the United Kingdom have of course shared a relationship with all other currencies since the two countries joined the EEC.

At that time they each adopted the same "green" rates with which EEC price awards were translated into Irish pounds. At a stroke, the Republic changed its "green" rate much more often than the United Kingdom and therefore kept closer to sterling.

The result now is that the value of EEC awards is greater in cash to Irish farmers than to British.

Moreover, the Republic operates Community market support without having to pay the subsidies like the British beef premium.

Mr James O'Keefe, chairman of the Irish Dairy Board, said: "The common agricultural policy has given the Irish dairy farmer an assured market for virtually all that he is able to produce. Farming has become a business rather than a subsistence vocation as a result of membership of the Common Market. In the last two years particularly there have been renewed interest in the school-leaving generation in farming."

Mr O'Keefe might have said that all Irish cattle farmers have been given an assured market, since there are now more than 50,000 tonnes of beef in stores hired by the Department of Agriculture in Dublin as an intervention agent for Brussels.

There is a debate in Ireland about whether EEC membership has revolutionized farming and food distribution in the Republic or whether it has made antiquated and short-sighted practice safe and comfortable. While Irish dairy products have been marketed successfully in the brutal arena of the British butter trade, Irish meat, especially bacon, is still regarded widely as an erratically distributed commodity of no great distinction.

There is resentment at the way in which British ministers who said piously in the referendum that they would accept the verdict of the referendum to stay in the EEC have since exploited and enlarged every loophole that has enabled them to avoid the full obligations of Community membership.

The English visitor to the Re-

public is treated with nothing but kindness and generosity. Nothing is hidden and even the events of Northern Ireland are mentioned without hesitation. It is perhaps surprising that politics are not taboo. But there is one thing that is not mentioned. That is history.

It is, of course, just as expedient for the Republic to abide by the absolute letter of the Common Agricultural Policy as it is for British ministers to flout it. Yet there is more to the story than that when Irish ministers and food industry leaders condemn the food policy of the British Government.

The Republic, which was part of the United Kingdom in living memory, is now visibly poorer than any part of it now. Its population is much smaller than it was 100 years ago. The farms are almost unknown. The English visitor will be told readily that the smallholdings that cover the countryside are owned by the families which farm them.

Nobody is so indelicate as to allude to the social and historical background of that agricultural structure, so different from that in Britain, where more than a third of the land is still tenanted, and private estates of tens of thousands of acres persist intact despite the introduction of new types of capital tax.

When Irish voices are raised in fury at British food policy it is as well to remember that the commercial links between the farming economies of the two countries go back far beyond the day in 1973 when they both accepted the principle of the EEC.

Hugh Clayton

Business Diary in Europe: French budget projections

Year in and year out, Edgar Faure has deplored the "Liberty, luxury, and lethargy" of the budget debate in the National Assembly over which he presides. It amounts to an elaborate charade before a chamber three-quarters empty or more, consisting of set speeches and amendments which are mostly ignored by the government's back benches and the opposition.

When it opened last Wednesday, not even the prime minister was present.

To introduce a little novelty and spice into the budget presentation, Faure last year suggested using audio-visual aids; and last Tuesday the finance committee's traditional session, enlarged to include other MPs and the press, was held in the dark in the ultra-modern conference room of the new assembly building, while what one person present described afterwards as a "strip-cartoon" budget was projected on the screen to the strains of Vivaldi's "four seasons".

On 600 colour slides, selected by the committee and the finance ministry, MPs were shown a breakdown of the budget in the shape of drawings, graphs, curves, and sketches. There was loud applause as the lights went up and the minister of finance was pressed for copies to project in MPs' constituencies.

Certainly it was more digestible than the voluminous Finance Bill MPs normally have to plough through. But as Le Monde notes, whether the long procession of facts and figures, exalting the government's economic performance really made an impact, remains to be seen.

A socialist member, referring to the background music, remarked tartly: "For us, it remains winter."

When Dr Hans Friderichs decided to quit the Bonn economics ministry to be chief executive at the Dresdner bank, he unwittingly set an example for other economics ministers in Europe.

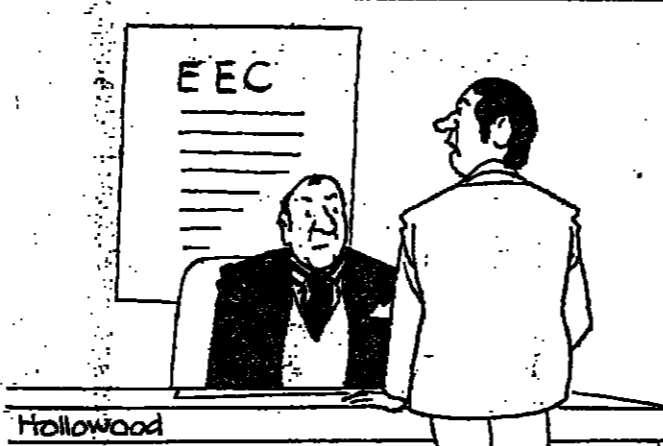
For it is now almost certain that Ernst Brügger, who is retiring as Swiss economics minister at the end of this year, will become president of the Schweizerische Volksbank, Switzerland's fourth largest.

But it is unlikely that Brügger's banking ambitions will provoke the same sort of adverse—even "carry-comment" that Friderichs had to face. In the top of the Bernese economics ministry Brügger has been a popular figure. About the only group that is likely to object to his choice of retirement job is the Swiss Social Democratic party. Helmut Hubacher, chief of the Social Democrats, recently called for a code of conduct for former ministers, arguing that the prospect of a lucrative retirement job in industry or commerce could compromise a minister's freedom of action when in government.

Aston Martin Lagonda (1975) and Telford Development Corporation, two unlikely bedfellows, have joined forces for a "promotion" that will next year take them to Japan, America and the Continent.

The tenuous connexion is that Aston Martin Lagonda is a car company, Telford Development is a car company, and the country could benefit from 40,000 new jobs by 1985.

Ironically, the venture is being supported by the Government, which adamantly refused to bail out Aston Martin. Bob Cryer, Parliamentary Under-



"On the brighter side there would be the fact that, with Spain, Portugal and Greece admitted, Britain would no longer be the most backward member of the Community."

Alan Curtis, managing director of Aston Martin, is also a director of the board of the corporation, although the car company is based in Newport, Pagnell, near Luton. Curtis, one of those who helped to rescue the company two years ago, believes that both organizations will benefit. The sort of car buyers who can afford, for example, the new £32,600 Lagonda are, he says, the same people who make big decisions about establishing operations abroad. The result was that Aston Martin, Telford and the country could benefit from 40,000 new jobs by 1985.

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a few students on vacation, it is now difficult to persuade the locals to crick their backs stooping over the low vines.

Just how many more years the Spaniards are going to be seen in Cognac is now open to question. Their labour, like that of the French, is also becoming increasingly difficult and expensive to procure.

André Martell, vice-chairman of the cognac house Martell & Cie, gives his firm two or three years at most before it changes over to machines to pick the grapes. "We try some machines every year," he told Business Diary in Cognac at the weekend, "but so far we have not hit upon the right one."

"Either they pick the leaves as well, which can give an odd taste, or they crush the grapes and we lose some of the juice."

This year Martell & Cie is reasonably happy without mechanized grape pickers. The harvest may produce about a fifth less alcohol than last year, a particularly good year, but is not poor.

The price of Martell Cognac in Britain may go up by about 3 per cent, or about 15p a bottle, in the new year, the first producer price increase for 12 months. Since Martell is the brand leader here, other Cognac makers will probably follow suit.

But the slight fall in the harvest and next year's probable price increase are not connected. It will be some years before any of this year's grapes see the inside of a Cognac bottle and the company has seven or eight years' supply of matured Cognac in expensive financial cost.

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Takeovers: but do they really pay in the long run?

Disappointing

Marriage:

A Study of the Gains from Merger

By G. Meeks

(Cambridge University Press, hardback £6; paperback, £3.50)

Institutional shareholders accustomed to a steady flow of company offer documents over their desks will be fully familiar with the section of such documents usually headed "reasons for the offer". Invariably, it will be suggested that the acquiring management can get more out of the victim company than its present management can.

Aside from cases of straightforward conglomerate bids which are, in any case, becoming increasingly less fashionable, it is likely to be suggested that the victim company will fit in well with existing operations: perhaps there will be marketing benefits from pooling the two businesses; or perhaps cost savings on research; or maybe scope for factory rationalization to develop more productive methods. In short, greater efficiency should mean better profitability for the combined operation.

But does it? According to Dr Geoffrey Meeks in the latest in an occasional series for the Cambridge University Department of Applied Economics, the promise held out in offer documents is more often than not unfulfilled. If true, Dr Meeks's conclusion should undermine some long-held and fundamental business assumptions.

After all, between 1964 and 1971, the period under analysis, the average quoted company grew more through acquisition than through new investment in fixed assets. Among economic theorists there has never been agreement on the effects of mergers on productive efficiency, but the state has for long believed that mergers do more good than harm. This was, indeed, spelt out by the President of the Board of Trade in 1969, and the Industrial Reorganization Corporation was specifically set up in the late sixties to promote mergers.

Christopher Wilkins



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BUSINESS BOOKS

When it's so lucrative to cheat

Corporate Fraud

By Michael J. Comer

(McGraw Hill, £8.95)

Fraud is a growth industry and the increasing complexity of our society is making it ever more easy for the shrewd to take advantage of the gullible.

Michael Comer, a former Customs and Excise investigator turned security consultant, has written a primer on one section of the fraud scene—corporate fraud, the milking of business organizations. His thesis is simple: fraudsters prosper because they know how to bend the system to their ends; companies lose out because they are insufficiently aware of the vulnerability of their organization and secondly of the measures which can be taken to reduce that vulnerability.

The book goes through the organization systematically, analysing exploitable weaknesses and suggesting how

they can be stopped up. A major section is devoted to explaining the basis of fraud detection, the symptoms to look out for in accounts and statistical data which may give the first clue to a "rip-off".

What comes through clearly is that technological advance has greatly increased the opportunities for large-scale fraud of a sophisticated kind. Computer crime is becoming a serious menace.

Any company director who saw BBC TV's documentary *The Billion Dollar Bubble*—a dramatized recreation of the Equity Funding Corporation scandal—did not give a second thought to whether his own accounting and computer procedures were as secure as they ought to be should be drummed off the board forthwith.

But the chances are that most businessmen simply laughed along with the programme, which depicted a mas-

sive computer-aided fraud by a group of almost amateur conspirators, and told themselves that it could not happen here. They may not be so sure of that after reading Mr Comer's book.

Perhaps the most frightening aspect of the whole Equity Funding Affair was its very ineptitude. *The Wall Street Journal*, paraphrasing a report filed in the Los Angeles federal court by the man sent in to reorganize the company after discovery of the fraud, said: "The great Equity Funding Corporation of America stock fraud was neither brilliantly planned nor well executed, but a slapdash, helter-skelter scheme in which one fraud had to be frantically covered by a greater and more blatant one. It would have finally collapsed of its own mushrooming weight and the fumbling of its perpetrators, who could no longer hide the enormity of their crime."

But if a group of amateurs can continue one of the most gigantic frauds in history for nearly a decade it does raise the question whether some of their more professional brethren may not be quietly prospering on ill-gotten gains of equal size in undetected bliss.

The book ought to make businessmen wonder whether they are paying enough attention to security and getting the right services for their money, if indeed they are investing in security measures at all.

If one has a reservation it is that the very people that the book is written about—the corrupt, the greedy and the dishonest—may glean more than a few hints from it about how to improve their operations. It might be interesting to do an audit of the people who purchase *Corporate Fraud*.

Malcolm Brown

Quick guide

Imal's The Middle East and Iran (Imal Ltd, Dawes Road, London, £9 or £35 with updating service). A valuable study of several countries giving information on import regulations, taxation, legal requirements, labour laws, and other matters of importance to all those having business dealings in the Middle East and Iran. Published in loose-leaf form with optional updating service.

Indonesia, Business Opportunities (Graham & Trotman, £62). Prepared by Metra Consulting Group.

The Investor's Manual 1977 (Kays & Wain, £8.50). A hand-book for investors on the stock exchange. It gives a record of highest and lowest prices and dividends for 1,500 stocks for the past 10 years; conversion and redemption terms on convertible stocks and warrants; and a digest of balance sheets for 570 companies.

Who's Who and Guide to the Electrical Industry 1977/78 (IPC Electrical-Electronic Press, £10).

Graduate Opportunities '78 (New Opportunities Press, £8.50 or free from careers advisory services to all final year undergraduates). Includes more than 500 profiles of employers wishing to recruit graduates, gives information on careers prospects, training, location and salaries.

Westby-Nunn's Secretarial Handbook by C. N. Gorman and C. D. M. Cockain (Open Publishing, £6). The seventh edition of this handbook on company administration, updated to take account of the Companies Act 1976.

Dymond's Capital Transfer Tax, by Reginald K. Johns and Roy R. Greenfield (Open Publishing, £37). 1,000 pages of analysis and description. **Edison: The man who made the future**, by Ronald W. Clark (Macdonald and Jane's, £6.95). A biography of one of the most brilliantly fecund inventors of all time.

Ladybird, Ladybird, a story of Private Enterprise, by Eric W. Pasold (Manchester University Press, £9.95). The rise of Pasold Limited, one of the world's largest producers of children's wear told by its retired chairman and managing director.

How to deliver on Time, by Sydney Paulden (Gower Press, £6). A diagnosis and suggestion for a cure of one of British industry's most pressing problems.

Who's Who in Saudi Arabia, 1976-77, edited by Dr Samir Sakran (Europa Publications, £16).

The Tallow Changers of London, volume IV Ebb and Flow, by Randall Monier-Williams (Kaye & Ward, £5.75).

The Company Director and the Law

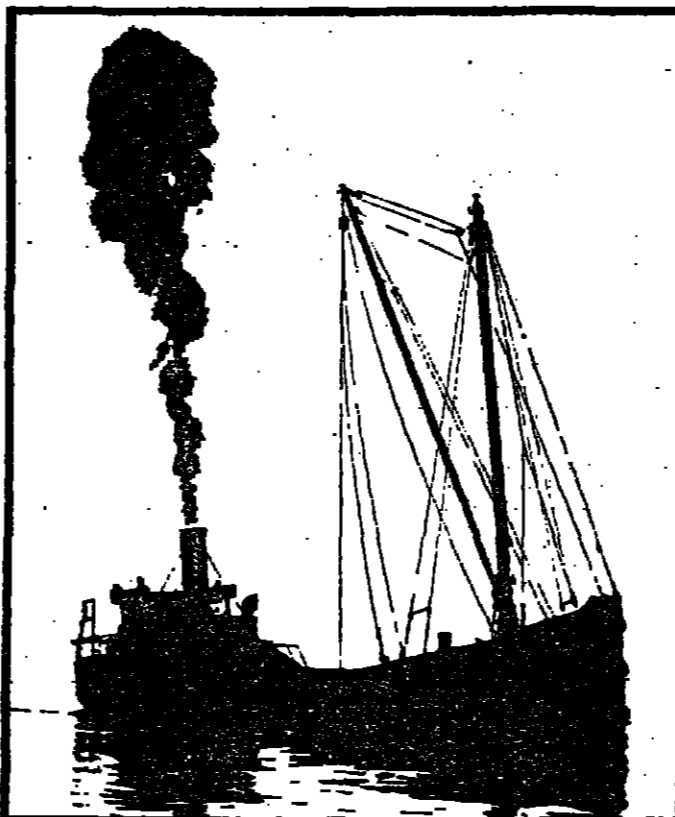
Far too many company directors are unaware of the extent of their powers, responsibilities and legal obligations. Many of the complications and disputes that arise could be avoided if directors are properly informed. The new edition of *Company Director and the Law*, by solicitor John Franks, provides a comprehensive guide to areas of the law which concern company directors. It starts with the question of what is a director, and covers his relationship to the shareholder, buying and selling, annual reports and accounts, conduct of meetings, his position as a member of the staff, litigation and insurance.

Should be required reading. *Journal of Commerce*.

Company Director and the Law—2nd edition ready November, price £3.95 (£4.20 by post).

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The "Turk" taken from the cover of Dan McDonald's book, *The Clyde Puffer* (David & Charles, £2.95). A nostalgic memoir of a chapter of shipping history which ended a decade ago.

Lessons from the Chrysler crisis

Chrysler UK: a

Corporation in

Transition

By Stephen Young and

Neil Hood

(Praeger, £18.40)

The Chrysler rescue operation during the winter of 1975 remains two years later one of the most intriguing, sensational and significant industrial crises to be faced by the present Government.

Mr John Riccardo, chairman of the Chrysler Corporation, suggesting at a Detroit press conference that the troubled United Kingdom subsidiary might be disposed of; his meetings, surrounded in secrecy, with the Prime Minister and other leading ministers; the accusation that he was "holding a pistol" to the head of the Government; and the protracted negotiations which led to the commitment of up to £162.5m of British taxpayers' money without the state having a share in the equity—these formed the basic plot of an industrial thriller whose implications wear far beyond the confines of Chrysler UK.

Stephen Young and Neil Hood, some way in this review of the company in presenting the broader picture of the Chrysler debacle and rightly point out that lack of government participation in the company's equity raises the issue of state responsibility for transnational companies operating within its country.

For the United Kingdom Government the prospect of having to prop up the ailing car company just as ministers were attempting to convince the

country of the need for a grand, positive industrial strategy could not have come at a worse time.

The authors say: "The method of rescue, and the way in which the emergent guiding principles of that policy were applied did much to erode confidence in the viability of the strategy as a whole in the eyes of domestic and foreign observers."

The issue of accountability is still foremost in the minds of critics of the four-year rescue programme and, presumably, in those of the Whitehall officials who painstakingly drew up the details. Young and Hood, both economics lecturers at Paisley College of Technology in Scotland, echo the disquiet.

They see Chrysler UK as going through a fundamental transition and as such it is viewed as a "microcosm of the United Kingdom economy."

Whether the rescue proves abortive or not, and this book advocates the negotiation of a much more detailed agreement with binding commitments should more public money be needed after 1980, the authors say pessimistically that for Chrysler the rescue gave it no more than an opportunity to breathe out of the spiral.

The lessons for the Government lie in the dramatic action required to ensure such an opportunity for just one large company. How much more, therefore, is required for large sections of the whole economy? From this perspective the lessons of the Chrysler case demand a complete reappraisal of what is really required to regenerate growth in United Kingdom manufacturing.

Edward Townsend

Here's to John Barleycorn

The Whisky Barons

By Allen Andrews

(Jupiter, £5.50)

Sir Harry Lauder once spent an afternoon at the country home of Thomas, Baron Dewar, extravagantly praising the peer's pigeons in the hope that "Whisky Tom" would give him some for his own estate in the West Highlands.

When Dewar promised to send some, Sir Harry said: "In case you forget, I'll just take them with me. I am going up to Scotland tomorrow." The music-hall star telegraphed his estate manager to prepare a pigeon cage and then enquired for the North with a basketful of birds.

He need not have bothered. The morning after their arrival, the birds had disappeared. Dewar had given Sir Harry homing pigeons.

This is just one of the chronicles of shrewdness that make up Allen Andrews's amusing but slight account of the whisky drummers who in the latter part of the last century saw to it that scotch dethroned cognac as the most acceptable of tipples in English bars and drawing rooms.

"Barons", Mr Andrews calls them and, by and large, barons they were. "Whisky Tom" himself became Thomas, Baron Dewar, and his brother became John, Baron Forthvie. James (Black and White) Buchanan became Woodlavington.

Most of these honours were bestowed by Lord George, "the most cunning and ferocious Prohibitionist of all", who none the less in whisky, as in other areas of self-indulgence, found time to have a bit on the side.

The whisky barons, led by James Buchanan, helped to popularize in England and the United States blends of malt and grain whisky that were at once less fiery and more predictable—if less interesting—than the single malts.

While Lord Northcliffe was using newspapers to make up a comic, James Buchanan transformed whisky from a music-hall joke, like haggis, into first a national and then a world-wide institution.

He neglected no avenue, from seeing that pub owners' daughters were asked for dances in the 1880s to getting public in 1903 to make acceptable not only scotch but his scotch. He secured "testimonials" from the House of Commons, from Adeline Patti who drinks exclusively at her meals whisky and wine, and in the end, even a Royal Warrant from the Prince of Wales.

Mr Andrews provides some amusing anecdotes, but his subjects remain merely successful salesmen. He tells us details half enough. Were any of them overly fond of their own products? Teetotal perhaps? And just how did they come by their baronies? At getting on for 5p a page, the reader is entitled to know.

Ross Davies

Five of America's best

The Economists

By Leonard Silk

(Harper & Row, £5.95)

We live in an age dominated by economics. The economic performance of a nation is measured, compared, debated and appraised endlessly. The influence of economists, as advisers to government, business, trade unions and financial institutions is extensive. But who are these economists?

Leonard Silk, himself an economist, a member of the editorial board of *The New York Times*, a former senior fellow at the Brookings Institute and Ford Foundation Distinguished Professor at Carnegie-Mellon University, gives us an insight into the lives and ideas of five of the most influential American economists living today.

The five economists are all eminent scholars whose ideas, in the view of Leonard Silk, are likely to go on reverberating beyond the confines of the economics profession and their present political context. Each has been a president of the American Economic Association, and three—Paul Samuelson, Wassily Leontief and Milton Friedman—have won the Nobel Memorial Prize in Economic Science.

The other two portrayed are John Kenneth Galbraith and Kenneth Boulding.

Of these five, Leonard Silk considers Paul Anthony Samuelson to be the "vital centre" of the American economic establishment. Once regarded as a brash, arrogant opponent by the pillars of the economics establishment, he has lived to embody that establishment in his own person.

His early fame resulted from transforming Keynes's static analysis of the forces that depressed an economy and produced high unemployment into a dynamic description of the factors causing capitalist economies to swing up as well as down. Many conservatives in America hold Samuelson's "popularizing of Keynes" responsible for causing much of the continuous postwar inflation.

To Samuelson's right is Milton Friedman, stout defender of free enterprise and monetarism, who has mounted a formidable challenge to Keynesian orthodoxy. To Samuelson's left are Galbraith and Leontief. Galbraith is probably best known for his conviction that circumstances, not high technology, determine the course of policy.

Free competition does not

reign in the American marketplace, in Galbraith's view, and he has sought to show that monopoly power impinged as a matter of course on the innocent interaction of supply and demand.

Leontief is most widely associated with his input-output analysis, which provides the basis for national economic planning. His passion and goal is the rational use of economic planning for human ends, and, indeed, his input-output technique is seen by him as an important tool in helping the less developed countries to modernize their economies.

Kenneth Boulding does not fit conveniently in any left-right axis. His ideas are deeply religious, as well as economic and scientific.

A devout Quaker, Boulding is not a socialist; he believes in a pluralistic capitalism based on a market economy. But he has been sharply critical of the economic liberalism espoused by Friedman.

Instead, his conviction was based on the view that a large part of economic activity was the motivation for it lie necessarily outside the reach of the market and of market forces.

Melvyn Westlake

The Royal Bank of Scotland

INTEREST RATES

The Royal Bank of Scotland Limited announces that with effect from 17th October 1977 its Base Rate for lending is being reduced from 7% per cent per annum to 6% per cent per annum.

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Coutts & Co. announce that their Base Rate for lending will be reduced from 7% to 6% per annum for balances in their books on and after 17th October, 1977 and until further notice.

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Midland Bank

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FINANCIAL NEWS AND MARKET REPORTS

Sheppards and Chase raises some questions over Debenhams

If financials have recently been the most widely recommended shares, stores cannot be very far behind. After all, consumer spending is set to rise after two years in the doldrums and retailers can now start looking forward to the traditional pre-Christmas boom.

But the best way to make money in the market, so the old saying is, is to take the opposite of the consensus view. Sheppards and Chase have recently presented a case for selling selected store shares this autumn on the basis that the upturn has already been overdone, that earnings increases have already been discounted.

The stores sector p/e, Sheppards' analyst, Mr Chris Dickman, explains, now stands 32 per cent, higher than the industrial group in comparison with an average premium of 20-35 per cent during the earlier 1970s and a previous high of 65 per cent in the exceptional winter of 1974-75.

The sector's defensive strength stood up well in the financial crisis of that period but Mr Dickman argues that if the United Kingdom is now on the threshold of greater economic stability, even prosperity, the premium on defensiveness should diminish.

And wrapped up in that argument is the previous beneficial effect on retail profits growth of high inflation rates. Remove rampant inflation, if the Chancellor's sums add up, and that bonus will gradually disappear.

In any event, the broker believes that the Price Commission will take stern action on stores' profitability if unemployment stays at its grossly high level.

Thus earnings growth, relative to the industrial sector, could fall and Mr Dickman takes the view that institutions should take the opportunity provided by current buoyant prices to unload or, if they want to take the last of the present rise, to

speculative froth" is always ready to emerge. Mr Dickman is far more equivocal about Debenhams. On the one hand, he calculates that the group's operational and financial gearing is so high that profits could react quite dramatically to a generally favourable trading environment. "It is too early in this retail cycle to sell the shares as a means of reducing commitment to the stores sector, in spite of the low quality of this investment."

Here lies the dilemma for Sheppards as serious doubters as the market and course of Debenhams' management. Mr Dickman understands that there are quite serious internal problems relating to the difficulty in motivating middle management and to the inadequacy of financial controls in certain divisions.

He continues in an equally critical vein that: "We are concerned about the fragmentation in management time caused by the diversification into small problem businesses such as Gamco, Leisure and Browns of Chester which were both acquired from Burton Group."

Hard hitting stuff and well-earned too, but because Sheppards has attacked Debenhams so far because the broker has chosen not to mince its words. But, having attacked a sector, a broker must be in a position to offer alternatives. On Sheppards' recommended

list is the financial sector and Mr Keith Brown of W. Greenwell takes the case further with an interesting look at the overseas operations of United Kingdom quoted banks.

The plight of their home retail operations in an era, however short-lived, of falling money costs has been well chronicled and Mr Brown estimates that domestic banking profits of the London clearing banks between 1976 and 1978 will fall by 25 per cent to £284m but he expects other operations—the most important of which are international profits—to rise by 61 per cent.

Greenwell finds that the United Kingdom banks have significant potential for expanding their small overseas operations which will be fed through an increase in United Kingdom exports and the much greater international interest in the United Kingdom because of North Sea Oil which has brought a spin-off effect of United Kingdom banking businesses abroad.

Mr Brown finds little evidence of involvement in underpinning shipping loans and less developed countries sufficient to cause heavy losses.

Ray Maughan

Interims from M & S, Brit Home Stores

Companies reporting this week are:

TODAY—Interims: Alpine Holdings, Bishopsgate Tst, El Oro Mining & Exploration, Exploration Co, Frank G. Gates, Hambro Life Assurance, Lafarge Organization, Mervoy Co, Sect Tst of Scotland, and Time Prods.

TOMORROW—Interims: Wm Baird, Burrell & Co, Estates Duties Invest Tst, Andrew R. Finlay Grp, Furness Withy & Co, Manchester Liners (amended), Marks & Spencer, Marshall's Universal, M. F. North, Walker Runciman & Co, Siemens Hunter, Smith St Aubrey Co, Stoddart & Pitt, and Francis Sumner (Hdgs). Finals: Wm Boulton (Hdgs), Brooke Bond Liebig, Ductile Steels, Fairview Estates, London Shop Property Tst, Newmarket, and Rediffusion Television.

Results this week

WEDNESDAY—Interims: Astbury & Madeley, British Home Stores, City of Oxford Invest Tst, Dunbeath-Combe Marx, Topper, Harrison & Sons, Jessel, Topham, London & Lenoir Invest Tst, Rugby Portland Cement, and Trust Union. Finals: Darnley Day, Eleco, Higgs, Kalamazoo, Sirdar, and Sun Life Assurance.

THURSDAY—Interims: Alpin Inds, Central Finance, De Vere Hotels, Hawker Siddeley Corp, House of Gorse, Industries & Gen Tst, Jefferson Smurfit, FJC Lilley, P. & W. Maclellan, OCE-VAN de Grinten, Finance, and Scottish Mortgage & Tst. Finals: Charterhall, Finance, Greenfriar Invest Co (9 months), Fyfe, London & Montreal Inv Tst, London Scottish Finance Corp, Peters Stores, Sanderson Murray & Elder (Hdgs), Charles Sharpe, and Spencer Gears (Hdgs).

FRIDAY—Interims: Booth (Hdgs), Coates Brothers, and House Property Co of London. Finals: Lowland Invest Co, MTD (Mangula), and Pressac Higgs.

Heavy selling of sugar foreseen before new pact takes effect

While the success at Geneva in negotiating a new International Sugar Agreement has been welcomed in the trade, there is apprehension that the new pact takes effect, there will be such heavy selling of sugar, as exporters get ready for a new beginning, that export trade could slump.

Brokers Bache Halsey Stuart point out that a substantial amount of sugar will have to be shifted over the next three months to give the agreement a good chance of working.

On this theme, London brokers M. Goldetz say, in their latest review, that the fundamental flaw in the new agreement is that there is simply too much sugar available and not enough time for members to organize their commitments.

"Ideally, the new ISA should take effect only in 1979, not 1978," Goldetz says. The agreement will set off a whole series of market trends and factors.

Assuming that the ISA holds for at least some months, in "raws" they foresee some producers disposing of available surpluses in the period October-December while in "whites" they predict that buyers will rush to purchase before prices are artificially boosted by the pact.

But they do not see the future being as clear cut as that. "If prompt 'raws' become too cheap buyers like China will surely pounce." In "whites", with India looking for bids and if more sugar is to come, they see no great premium.

As to the details of the pact, Goldetz asks how members will check Cuba's special arrangements, supposedly limited to Comecon plus 650,000 tonnes to other socialist countries.

Some details have come from local Hongkong commodity dealers of the Hongkong sugar futures market contract which is believed to be sold on the market is due to open on November 15.

The dealers say that the contract is based on raw cane sugar of 96 degree average polariza-

tion, fob stowed in bulk designated ports covering more than 30 countries of origin.

The origins are reported to be: Argentina, Australia, Brazil, Belize, Colombia, Congo (Brazzaville), China, Cuba, Costa Rica, the Dominican Republic, El Salvador, Ecuador, Fiji, French Antilles, Guatemala, Haiti, Honduras, India, Jamaica, Mauritius, Mexico, Mozambique, Nicaragua, Peru, Philippines, Reunion, South Africa, Swaziland, Thailand, Trinidad, Venezuela and the United States.

The dealers say that this means that the market will cover more origins than most other raw sugar futures markets.

They also point out that both Cuba, as one of the largest sugar producers, and the United States parent company, the New York No 11 contract as countries of origin.

Included in the contract is a Hongkong daily spot price

Commodities

which will be fixed by the sugar spot price committee for settling variations in weight and polarization within permitted contract limits. Such settlements will be made direct between buyers and sellers.

United States government officials have said in Washington that the position of a United States brokerage or dealer subsidiary wishing to trade in Cuban sugar futures under the new Hongkong market is uncertain.

According to a spokesman for the Treasury Department's foreign assets control division, which licenses United States foreign subsidiaries who trade with Cuba, application for a licence to trade in Cuban sugar futures would be a legal test which he would not like to predict the outcome.

In the case of a United States subsidiary making specific purchases of Cuban sugar for delivery to a third country, the

control division would issue a licence. A decision to allow United States subsidiaries abroad to trade with Cuba was a foreign policy matter because the United States felt that it could not exercise sovereignty over the eventual destination of goods made in another country, even if the producer had a United States parent company. But futures trading would be a different matter.

Although Cuban experts in the Administration agree that there will have to be a legal ruling, because of the different aspects involved in futures trading, as distinct from physical trade with Cuba, they do not think that there will be any problem.

Little flood damage to Ghana cocoa

Although the West African cocoa crop is expected to be late this year because of dry weather earlier in the season, Reuter says that early private reports from Ghana suggest that there has been little, if any, damage to the crop there by recent heavy rains and flooding.

It has even been said in Ghana that the rains might be beneficial after the dry weather.

However, the flooding might cause problems with transport and communication, possibly aggravating the nearby supply tightness, traders said.

Because the crop is expected to be late, most of the cocoa on the roads which might be affected by the flooding would be mid-crop beans, most of which are believed to have already been shipped out of the country.

According to one analyst, mid-crop arrival figures have been larger than expected indicating that most of the mid-crop beans have been sold. He pointed out that the flooding came at a most opportune time because little cocoa was being shipped at present.

Wallace Jackson

Commodities Editor

Weekly list of fixed interest stocks

Stock	Price	Yield	Dividend
Ally & Wilson 7 1/2% Deb	75 1/2	7 1/2	75 1/2
Ally & Wilson 8 1/2% Deb	75 1/2	8 1/2	75 1/2
Ally & Wilson 9 1/2% Deb	75 1/2	9 1/2	75 1/2
Ally & Wilson 10 1/2% Deb	75 1/2	10 1/2	75 1/2
Ally & Wilson 11 1/2% Deb	75 1/2	11 1/2	75 1/2
Ally & Wilson 12 1/2% Deb	75 1/2	12 1/2	75 1/2
Ally & Wilson 13 1/2% Deb	75 1/2	13 1/2	75 1/2
Ally & Wilson 14 1/2% Deb	75 1/2	14 1/2	75 1/2
Ally & Wilson 15 1/2% Deb	75 1/2	15 1/2	75 1/2
Ally & Wilson 16 1/2% Deb	75 1/2	16 1/2	75 1/2
Ally & Wilson 17 1/2% Deb	75 1/2	17 1/2	75 1/2
Ally & Wilson 18 1/2% Deb	75 1/2	18 1/2	75 1/2
Ally & Wilson 19 1/2% Deb	75 1/2	19 1/2	75 1/2
Ally & Wilson 20 1/2% Deb	75 1/2	20 1/2	75 1/2
Ally & Wilson 21 1/2% Deb	75 1/2	21 1/2	75 1/2
Ally & Wilson 22 1/2% Deb	75 1/2	22 1/2	75 1/2
Ally & Wilson 23 1/2% Deb	75 1/2	23 1/2	75 1/2
Ally & Wilson 24 1/2% Deb	75 1/2	24 1/2	75 1/2
Ally & Wilson 25 1/2% Deb	75 1/2	25 1/2	75 1/2
Ally & Wilson 26 1/2% Deb	75 1/2	26 1/2	75 1/2
Ally & Wilson 27 1/2% Deb	75 1/2	27 1/2	75 1/2
Ally & Wilson 28 1/2% Deb	75 1/2	28 1/2	75 1/2
Ally & Wilson 29 1/2% Deb	75 1/2	29 1/2	75 1/2
Ally & Wilson 30 1/2% Deb	75 1/2	30 1/2	75 1/2
Ally & Wilson 31 1/2% Deb	75 1/2	31 1/2	75 1/2
Ally & Wilson 32 1/2% Deb	75 1/2	32 1/2	75 1/2
Ally & Wilson 33 1/2% Deb	75 1/2	33 1/2	75 1/2
Ally & Wilson 34 1/2% Deb	75 1/2	34 1/2	75 1/2
Ally & Wilson 35 1/2% Deb	75 1/2	35 1/2	75 1/2
Ally & Wilson 36 1/2% Deb	75 1/2	36 1/2	75 1/2
Ally & Wilson 37 1/2% Deb	75 1/2	37 1/2	75 1/2
Ally & Wilson 38 1/2% Deb	75 1/2	38 1/2	75 1/2
Ally & Wilson 39 1/2% Deb	75 1/2	39 1/2	75 1/2
Ally & Wilson 40 1/2% Deb	75 1/2	40 1/2	75 1/2
Ally & Wilson 41 1/2% Deb	75 1/2	41 1/2	75 1/2
Ally & Wilson 42 1/2% Deb	75 1/2	42 1/2	75 1/2
Ally & Wilson 43 1/2% Deb	75 1/2	43 1/2	75 1/2
Ally & Wilson 44 1/2% Deb	75 1/2	44 1/2	75 1/2
Ally & Wilson 45 1/2% Deb	75 1/2	45 1/2	75 1/2
Ally & Wilson 46 1/2% Deb	75 1/2	46 1/2	75 1/2
Ally & Wilson 47 1/2% Deb	75 1/2	47 1/2	75 1/2
Ally & Wilson 48 1/2% Deb	75 1/2	48 1/2	75 1/2
Ally & Wilson 49 1/2% Deb	75 1/2	49 1/2	75 1/2
Ally & Wilson 50 1/2% Deb	75 1/2	50 1/2	75 1/2
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Ally & Wilson 60 1/2% Deb	75 1/2	60 1/2	75 1/2
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Ally & Wilson 66 1/2% Deb	75 1/2	66 1/2	75 1/2
Ally & Wilson 67 1/2% Deb	75 1/2	67 1/2	75 1/2
Ally & Wilson 68 1/2% Deb	75 1/2	68 1/2	75 1/2
Ally & Wilson 69 1/2% Deb	75 1/2	69 1/2	75 1/2
Ally & Wilson 70 1/2% Deb	75 1/2	70 1/2	75 1/2
Ally & Wilson 71 1/2% Deb	75 1/2	71 1/2	75 1/2
Ally & Wilson 72 1/2% Deb	75 1/2	72 1/2	75 1/2
Ally & Wilson 73 1/2% Deb	75 1/2	73 1/2	75 1/2
Ally & Wilson 74 1/2% Deb	75 1/2	74 1/2	75 1/2
Ally & Wilson 75 1/2% Deb	75 1/2	75 1/2	75 1/2

Briefly

Coalite has 86 pc of Charrington

Acceptances of the Coalite & Chemical Products £25m bid for Charrington Industrial Holdings, have been received from over 67 per cent of ordinary shareholders, owning over 84 per cent of the equity. Holders of over 80 per cent of the preference have also accepted. Together with shares held before the bid, Coalite now holds over 86 per cent of the Charrington ordinary.

More share prices

The following will be added to the London and Regional Share Price List tomorrow and will be published daily in Business News:

Commercial & Industrial Norton & Wright Group

NAT BANK OF NEW ZEALAND

From January 1, board and head office will be located in Wellington, New Zealand.

LORRO GP DIVIDENDS

Coronation Syndicate Ltd 2.5c (12c) making 2.5c (5c). Duker Exploration Ltd 22.5c (12c) making 45c (20c). Tweektonia Interim 45c (annual 47c). Withbank Interim (annual 41c plus bonus 90c).—Reuter.

PHILIPPINES LOAN

EGD has backed a dollar loan to Philippines for first time. It is for \$2.2m and has been arranged by Morgan Grenfell.

TELFER

Stock Exchange listing has been suspended at company's request. Applications for special bargains may be submitted.

CARDIFF ISSUE

Applications up to £500 allotted in full, those applications for £500.00 (get 15c) for £500.00 (get no allotment) and £350.00-£500.00 (about 5.7) of amount applied for. Between £1m to £1.5m (£500.00) £2m to £2.5m (£750.00) over £2.5m (£1000.00).

WARNER HOLIDAYS

Chairman "Bill" Warner told annual meeting that the season just ending had given the company a most successful year and the directors expect "substantially increased profits" for the year to January 31 next. The half-year figures are due next month.

NEWMAN-DOVER

Boards have already agreed to ordinary terms by Newman for Dover have now fixed terms for pre: for every 40 pre in Dover, 21 of 10 per cent pre in Newman.

BRONX ENGINEERING

Order books good and full production should be maintained into next year.

ELLIS & EVERARD

At annual meeting chairman expressed hopes for group moving off recent profit plateau.

Bejam looks only to same-again profit

A strong balance sheet, a well balanced management team and a continuing programme of new stores opening enables Mr John Athorpe, chairman of Bejam Group, to remain optimistic about the group's future. However Bejam cannot expect in the first half of the current year to more than match the profits of £2.7m for the corresponding period.

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Bank Base Rates

Barclays Bank 7%
Consolidated Credits 7%
First London Secs 7%
C. Hoare & Co 7%
Lloyds Bank 7%
Lon Mercantile Corp 7%
Midland Bank 6%
Nat Westminster 6%
Rosenminster Acc's 7%
Shenley Trust 9%
TSB 6%
Williams & Glyn's 6%
* 7 day deposits on sums of £10,000 and under 5%
* 28 day deposits on sums of £25,000 and over 4%
* 3 month deposits on sums of £25,000 and over 5%
* 6 month deposits on sums of £25,000 and over 6%
* 12 month deposits on sums of £25,000 and over 7%

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